THIS PLAN HAS BEEN AMENDED. SEE INSIDE COVER.

CONDOMINIUM OFFERING PLAN FOR



325 FIFTH AVENUE CONDOMINIUM
321 - 329 FIFTH AVENUE
NEW YORK, NEW YORK 10018

TOTAL INITIAL PURCHASE PRICE OF THE 250 RESIDENTIAL UNITS AND 105 STORAGE UNITS OFFERED FOR SALE HEREBY IS $335,021,500

(The Condominium has 250 Residential Units, 105 Storage Units and 2 Commercial Units. One of the Residential Units, anticipated to be Unit 9A, will be sold to the Board for use as the Resident Manager's Unit. The 2 Commercial Units are not being offered for sale hereunder at this time.)

Sponsor

Continental Residential Holdings, LLC
c/o Douglaston Development LLC
42-06 235th Street
Douglaston, New York 11363

Selling Agent

Cantor & Pecorella, Inc.
54 Greene Street
New York, New York 10013

Sales Center

325 Fifth Avenue Sales Center
276 Fifth Avenue
New York, New York 10001
(212) 532-5325

Date of Acceptance for Filing: April 8, 2005
The term of the initial offering of this Plan commenced on April 8, 2005
and expires on April 7, 2006 unless said date is extended in a duly filed amendment.

SEE PAGE v FOR SPECIAL RISKS TO PURCHASERS.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

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

SEVENTH AMENDMENT
TO
CONDOMINIUM OFFERING PLAN
FOR
325 FIFTH AVENUE CONDOMINIUM

This Seventh Amendment (this "Amendment") modifies and supplements the terms of the Condominium Offering Plan for the premises known as 325 Fifth Avenue Condominium, 321-329 Fifth Avenue, New York, New York 10016, first accepted for filing on April 8, 2005 (and as previously amended, the "Plan") and is incorporated into and should be read in conjunction with the Plan. The terms of this Amendment are as follows:

1. **Purpose of Amendment**

The purpose of this amendment is to effect a price change with respect to certain Units owned by Continental Residential Holdings, LLC ("Sponsor").

2. **Increase in Certain Purchase Prices**

Schedule A of the Plan is hereby amended by increasing the Purchase Prices of those Units shown on Exhibit 1 annexed hereto to the new prices set forth for such Units on such Exhibit. Sponsor reserves the right to revise further the Purchase Prices and other terms of sale of the Units in accordance with the Plan, except that no such change shall affect any Unit for which an Agreement for purchase is then in effect without the consent of the Purchaser thereof.

3. **Definitions**

Except as herein defined, all capitalized terms used in this Amendment which are defined in the Plan shall have the respective meaning ascribed to such terms in the Plan.

4. **Incorporation of the Plan**

The Plan, as modified and supplemented by this Amendment, is incorporated herein by reference with the same force and effect as if set forth at length.

5. **No Material Changes in the Plan**

There have been no material changes in the Plan except as set forth in this Amendment. The Plan, as hereby amended, does not knowingly omit any material fact.

Dated: August 4, 2005

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

325 Fifth Avenue Condominium
Amendment 7 -- Exhibit 1

Unit	New Offering Price
8A	$ 2,295,000
10A	$ 1,520,000
11A	$ 1,535,000
12A	$ 1,550,000
14A	$ 1,565,000
15A	$ 1,580,000
16A	$ 1,595,000
17A	$ 1,610,000
18A	$ 1,625,000
19A	$ 1,640,000
20A	$ 1,645,000
21A	$ 1,650,000
22A	$ 1,660,000
23A	$ 1,675,000
24A	$ 1,690,000
25A	$ 1,705,000
26A	$ 1,970,000
27A	$ 1,990,000
28A	$ 2,010,000
29A	$ 2,030,000
30A	$ 2,050,000
31A	$ 2,070,000
32A	$ 2,090,000
33A	$ 2,110,000
34A	$ 2,130,000
35A	$ 2,150,000
36A	$ 2,170,000
37A	$ 2,190,000
38A	$ 2,210,000
39A	$ 2,230,000
40A	$ 2,250,000
41A	$ 2,270,000
42A	$ 2,290,000
43A	$ 4,600,000
45A	$ 3,200,000
8B	$ 2,500,000
9B	$ 850,000
10B	$ 860,000
11B	$ 870,000
12B	$ 880,000
14B	$ 890,000
15B	$ 900,000
16B	$ 910,000
17B	$ 920,000
18B	$ 930,000
19B	$ 940,000
20B	$ 950,000
21B	$ 960,000
22B	$ 970,000
23B	$ 980,000
24B	$ 990,000

325 Fifth Avenue Condominium
Amendment 7 -- Exhibit 1

Unit	New Offering Price
25B	$ 1,000,000
26B	$ 1,690,000
27B	$ 1,710,000
28B	$ 1,730,000
29B	$ 1,750,000
30B	$ 1,770,000
31B	$ 1,790,000
32B	$ 1,810,000
33B	$ 1,830,000
34B	$ 1,850,000
35B	$ 1,870,000
36B	$ 1,890,000
37B	$ 1,910,000
38B	$ 1,930,000
39B	$ 1,950,000
40B	$ 1,970,000
41B	$ 1,990,000
42B	$ 2,010,000
43B	$ 2,055,000
44B	$ 2,075,000
45B	$ 2,095,000
8C	$ 1,045,000
9C	$ 1,540,000
10C	$ 1,560,000
11C	$ 1,580,000
12C	$ 1,600,000
14C	$ 1,625,000
15C	$ 1,645,000
16C	$ 1,665,000
17C	$ 1,685,000
18C	$ 1,705,000
19C	$ 1,710,000
20C	$ 1,715,000
21C	$ 1,725,000
22C	$ 1,745,000
23C	$ 1,765,000
24C	$ 1,785,000
25C	$ 1,805,000
26C	$ 1,350,000
27C	$ 1,370,000
28C	$ 1,390,000
29C	$ 1,410,000
30C	$ 1,430,000
31C	$ 1,450,000
32C	$ 1,470,000
33C	$ 1,490,000
34C	$ 1,510,000
35C	$ 1,530,000
36C	$ 1,550,000
37C	$ 1,565,000
38C	$ 1,580,000

325 Fifth Avenue Condominium
Amendment 7 -- Exhibit 1

Unit	New Offering Price
39C	$ 1,595,000
40C	$ 1,610,000
41C	$ 1,625,000
42C	$ 1,640,000
43C	$ 1,865,000
44C	$ 1,890,000
45C	$ 1,915,000
8D	$ 875,000
9D	$ 1,135,000
10D	$ 1,145,000
11D	$ 1,165,000
12D	$ 1,175,000
14D	$ 1,185,000
15D	$ 1,195,000
16D	$ 1,205,000
17D	$ 1,215,000
18D	$ 1,225,000
19D	$ 1,235,000
20D	$ 1,245,000
21D	$ 1,255,000
22D	$ 1,265,000
23D	$ 1,275,000
24D	$ 1,285,000
25D	$ 1,295,000
26D	$ 1,635,000
27D	$ 1,655,000
28D	$ 1,675,000
29D	$ 1,695,000
30D	$ 1,715,000
31D	$ 1,735,000
32D	$ 1,755,000
33D	$ 1,775,000
34D	$ 1,795,000
35D	$ 1,815,000
36D	$ 1,820,000
37D	$ 1,825,000
38D	$ 1,830,000
39D	$ 1,845,000
40D	$ 1,865,000
41D	$ 1,885,000
42D	$ 1,905,000
43D	$ 2,700,000
44D	$ 2,100,000
45D	$ 1,950,000
8E	$ 850,000
9E	$ 800,000
10E	$ 810,000
11E	$ 820,000
12E	$ 830,000
14E	$ 840,000
15E	$ 860,000

325 Fifth Avenue Condominium
Amendment 7 -- Exhibit 1

Unit	New Offering Price
16E	$ 870,000
17E	$ 880,000
18E	$ 900,000
19E	$ 910,000
20E	$ 920,000
21E	$ 925,000
22E	$ 927,500
23E	$ 930,000
24E	$ 940,000
25E	$ 950,000
26E	$ 1,130,000
27E	$ 1,140,000
28E	$ 1,150,000
29E	$ 1,160,000
30E	$ 1,170,000
31E	$ 1,180,000
32E	$ 1,190,000
33E	$ 1,200,000
34E	$ 1,210,000
35E	$ 1,220,000
36E	$ 1,230,000
37E	$ 1,240,000
38E	$ 1,250,000
39E	$ 1,260,000
40E	$ 1,270,000
41E	$ 1,280,000
42E	$ 1,290,000
8F	$ 2,750,000
9F	$ 840,000
10F	$ 850,000
11F	$ 860,000
12F	$ 870,000
14F	$ 880,000
15F	$ 890,000
16F	$ 900,000
17F	$ 910,000
18F	$ 920,000
19F	$ 930,000
20F	$ 940,000
21F	$ 950,000
22F	$ 960,000
23F	$ 970,000
24F	$ 980,000
25F	$ 990,000
26F	$ 1,700,000
27F	$ 1,720,000
28F	$ 1,740,000
29F	$ 1,760,000
30F	$ 1,780,000
31F	$ 1,800,000
32F	$ 1,820,000

325 Fifth Avenue Condominium
Amendment 7 -- Exhibit 1

Unit	New Offering Price
33F	$ 1,840,000
34F	$ 1,860,000
35F	$ 1,880,000
36F	$ 1,900,000
37F	$ 1,920,000
38F	$ 1,940,000
39F	$ 1,960,000
40F	$ 1,980,000
41F	$ 2,000,000
42F	$ 2,020,000
9G	$ 955,000
10G	$ 962,500
11G	$ 970,000
12G	$ 977,500
14G	$ 985,000
15G	$ 992,500
16G	$ 1,000,000
17G	$ 1,007,500
18G	$ 1,015,000
19G	$ 1,022,500
20G	$ 1,030,000
21G	$ 1,037,500
22G	$ 1,045,000
23G	$ 1,052,500
24G	$ 1,060,000
25G	$ 1,067,500
9H	$ 1,445,000
10H	$ 1,465,000
11H	$ 1,485,000
12H	$ 1,565,000
14H	$ 1,585,000
15H	$ 1,605,000
16H	$ 1,625,000
17H	$ 1,645,000
18H	$ 1,665,000
19H	$ 1,685,000
20H	$ 1,705,000
21H	$ 1,725,000
22H	$ 1,745,000
23H	$ 1,765,000
24H	$ 1,785,000
25H	$ 1,805,000
PH46A	$ 5,250,000
PH46B	$ 4,250,000
PH46C	$ 5,275,000
S1	$ 18,750
S2	$ 22,500
S3	$ 22,500
S4	$ 22,500
S5	$ 22,500
S6	$ 22,500

325 Fifth Avenue Condominium
Amendment 7 -- Exhibit 1

Unit	New Offering Price
S7	$ 22,500
S8	$ 26,250
S9	$ 22,500
S10	$ 22,500
S11	$ 22,500
S12	$ 22,500
S13	$ 26,250
S14	$ 18,750
S15	$ 22,500
S16	$ 22,500
S17	$ 26,250
S18	$ 26,250
S19	$ 22,500
S20	$ 22,500
S21	$ 22,500
S22	$ 18,750
S23	$ 22,500
S24	$ 22,500
S25	$ 36,000
S26	$ 22,500
S27	$ 18,750
S28	$ 18,750
S29	$ 18,750
S30	$ 22,500
S31	$ 18,750
S32	$ 18,750
S33	$ 18,750
S34	$ 26,250
S35	$ 26,250
S36	$ 26,250
S37	$ 22,500
S38	$ 22,500
S39	$ 18,750
S40	$ 22,500
S41	$ 22,500
S42	$ 26,250
S43	$ 18,750
S44	$ 18,750
S45	$ 18,750
S46	$ 18,750
S47	$ 22,500
S48	$ 22,500
S49	$ 22,500
S50	$ 22,500
S51	$ 26,250
S52	$ 22,500
S53	$ 18,750
S54	$ 18,750
S55	$ 18,750
S56	$ 18,750
S57	$ 18,750

325 Fifth Avenue Condominium
Amendment 7 -- Exhibit 1

Unit	New Offering Price
S58	$ 26,250
S59	$ 26,250
S60	$ 26,250
S61	$ 18,750
S62	$ 18,750
S63	$ 18,750
S64	$ 18,750
S65	$ 22,500
S66	$ 18,750
S67	$ 18,750
S68	$ 18,750
S69	$ 18,750
S70	$ 22,500
S71	$ 22,500
S72	$ 18,750
S73	$ 18,750
S74	$ 18,750
S75	$ 18,750
S76	$ 22,500
S77	$ 18,750
S78	$ 26,250
S79	$ 26,250
S80	$ 22,500
S81	$ 18,750
S82	$ 18,750
S83	$ 18,750
S84	$ 26,250
S85	$ 22,500
S86	$ 18,750
S87	$ 18,750
S88	$ 18,750
S89	$ 18,750
S90	$ 18,750
S91	$ 22,500
S92	$ 18,750
S93	$ 18,750
S94	$ 22,500
S95	$ 22,500
S96	$ 18,750
S97	$ 18,750
S98	$ 22,500
S99	$ 22,500
S100	$ 26,250
S101	$ 18,750
S102	$ 18,750
S103	$ 22,500
S104	$ 22,500
S105	$ 26,250

SIXTH AMENDMENT TO CONDOMINIUM OFFERING PLAN
FOR PREMISES KNOWN AS
325 FIFTH AVENUE CONDOMINIUM
321-329 FIFTH AVENUE
NEW YORK, NEW YORK 10016

The Condominium Offering Plan for Premises known as 325 Fifth Avenue Condominium, accepted for filing on April 8, 2005 (as amended to date, the "Plan"), is hereby amended as follows:

1. **Purpose of Amendment**

The purpose of this amendment is to declare the Plan effective.

2. **Plan Declared Effective**

As of the date of this Amendment, Agreements for more than thirty-eight (38) of the 250 Residential Units have been executed and are in effect with Purchasers who are unrelated to Sponsor, Selling Agent or Managing Agent or their principals. As this represents more than fifteen percent (15%) of the Residential Units offered for sale under the Plan, the Plan is hereby declared effective. Sponsor's affidavit in support of declaring the Plan effective is annexed to this Amendment as Exhibit A.

3. **Definitions**

Except as herein defined, all capitalized terms used in this Amendment which are defined in the Plan shall have the respective meaning ascribed to such terms in the Plan.

4. **Incorporation of the Plan**

The Plan, as modified and supplemented by this Amendment, is incorporated herein by reference with the same force and effect as if set forth at length.

5. **No Material Changes in the Plan**

There have been no material changes in the Plan except as set forth in this Amendment. The Plan, as hereby amended, does not knowingly omit any material fact.

Dated: June 29, 2005

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

EXHIBIT A
TO SIXTH AMENDMENT TO CONDOMINIUM OFFERING PLAN
FOR 325 FIFTH AVENUE CONDOMINIUM
321-329 FIFTH AVENUE
NEW YORK, NEW YORK 10016

AFFIDAVIT IN SUPPORT OF DECLARING THE PLAN EFFECTIVE

STATE OF NEW YORK)
) **ss.:**
COUNTY OF New York)

Steven R. Charno, being duly sworn, deposes and says:

A. I am a principal of the Sponsor under that certain Condominium Offering Plan for 325 Fifth Avenue Condominium, 321-329 Fifth Avenue, New York, New York, as amended to date (hereinafter called the "Plan"). The Plan was accepted for filing by the Department of Law of the State of New York on April 8, 2005. All capitalized terms used in this Affidavit that are not defined herein shall have the same meanings as ascribed to them in the Plan.

B. The Plan provides that it may not be declared effective unless Agreements are executed and accepted for not less than thirty-eight (38) Units, representing more than fifteen percent (15%) of such Units. As of the date of this Affidavit, Agreements have been executed for more than thirty-eight (38) Units.

C. Sponsor hereby represents that all Purchasers who are counted for purposes of declaring the Plan effective:

1. are bona fide purchasers; and

2. are not purchasing as an accommodation to, or for the account or benefit of Sponsor or principals of Sponsor; and

3. have duly executed Agreements and have paid the Deposit as required in the Plan, or an amendment thereto.

D. Sponsor hereby represents that there are no material changes to the budget for the First Year of Operation of the Condominium which have not been disclosed in a duly filed amendment to the Plan.

E. Sponsor hereby represents that no Purchaser counted for purposes of declaring the Plan effective is Sponsor, the Selling Agent or the Managing Agent, or is a principal of Sponsor, the Selling Agent, or the Managing Agent or is related to Sponsor, the Selling Agent or the Managing Agent or any principal of 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.

F. Annexed hereto is Exhibit A-1 which lists the Units which are being counted to meet the minimum percentage that are needed under the terms of the Plan to declare the Plan effective and which also states the date of the Agreement for each such Unit.

G. I hereby submit this Affidavit to the Department of Law in connection with that certain Sixth Amendment to the Plan, which Amendment, among other items, declares the Plan effective.

Steven R. Charno

Sworn to before me this
15 day of June, 2005.

Notary Public

MATTHEW J. FELDMAN
Notary Public, State of New York
No. 02FE5070133
Qualified in New York County
Commission Expires Dec. 9, 2006

Unit	Date of Agreement
9B	May 26, 2005
9C	May 9, 2005
9E	June 1, 2005
9F	May 12, 2005
10B	June 3, 2005
10E	May 26, 2005
10F	May 9, 2005
10G	May 4, 2005
11A	May 16, 2005
11B	May 9, 2005
11C	May 12, 2005
11D	May 19, 2005
11G	May 12, 2005
11H	May 26, 2005
12B	May 9, 2005
12E	May 9, 2005
12F	May 26, 2005
12H	June 13, 2005
14E	May 9, 2005
14H	May 9, 2005
15B	May 16, 2005
15C	May 12, 2005
16A	May 9, 2005
16B	June 13, 2005
16D	June 13, 2005
16F	May 12, 2005
17A	May 9, 2005
17B	May 12, 2005
17C	May 9, 2005
17D	May 9, 2005
17E	May 9, 2005
17F	May 9, 2005
17G	June 3, 2005
18A	May 12, 2005
18B	June 8, 2005
18G	May 26, 2005
19E	June 3, 2005
20A	June 3, 2005
20B	June 8, 2005
21A	May 30, 2005
22B	June 13, 2005
23A	May 9, 2005
23D	May 9, 2005
23G	May 30, 2005
23H	May 9, 2005
24B	June 8, 2005
24C	May 9, 2005
24D	May 30, 2005
24F	May 30, 2005
24G	May 26, 2005
24H	May 30, 2005

Unit	Date of Agreement
25A	May 9, 2005
25B	May 9, 2005
25D	May 9, 2005
25F	May 26, 2005
26A	May 9, 2005
26D	May 12, 2005
27A	May 9, 2005
27B	May 26, 2005
27C	June 3, 2005
27F	May 9, 2005
28A	May 9, 2005
28B	May 9, 2005
28C	June 8, 2005
28F	May 30, 2005
29A	May 9, 2005
29B	May 30, 2005
29D	June 3, 2005
30A	May 9, 2005
30B	May 12, 2005
30C	May 26, 2005
30E	May 30, 2005
30F	May 9, 2005
31B	May 9, 2005
31C	May 26, 2005
31D	May 26, 2005
31E	June 8, 2005
31F	June 3, 2005
32A	June 8, 2005
32C	June 1, 2005
32F	May 26, 2005
33A	May 9, 2005
33B	May 30, 2005
33E	June 13, 2005
33F	May 26, 2005
34D	June 3, 2005
34F	May 5, 2005
35A	June 3, 2005
35D	May 26, 2005
35F	June 3, 2005
36C	May 12, 2005
37E	June 3, 2005
38E	May 9, 2005
39A	June 13, 2005
39D	May 16, 2005
40A	May 26, 2005
40B	May 12, 2005
42A	May 26, 2005
42B	May 26, 2005
43A	June 3, 2005
43C	May 30, 2005
44B	May 26, 2005

325 Fifth Avenue Condominium **Amendment 6**

Exhibit A-1

Unit	Date of Agreement
45A	May 30, 2005
45B	May 9, 2005

FIFTH AMENDMENT
TO
CONDOMINIUM OFFERING PLAN
FOR
325 FIFTH AVENUE CONDOMINIUM

This Fifth Amendment (this "Amendment") modifies and supplements the terms of the Condominium Offering Plan for the premises known as 325 Fifth Avenue Condominium, 321-329 Fifth Avenue, New York, New York 10016, first accepted for filing on April 8, 2005 (and as previously amended, the "Plan") and is incorporated into and should be read in conjunction with the Plan. The terms of this Amendment are as follows:

1. **Purpose of Amendment**

The purpose of this amendment is to effect a price change with respect to certain Units owned by Continental Residential Holdings, LLC ("Sponsor").

2. **Increase in Certain Purchase Prices**

Schedule A of the Plan is hereby amended by increasing the Purchase Prices of those Units shown on Exhibit 1 annexed hereto to the new prices set forth for such Units on such Exhibit. Sponsor reserves the right to revise further the Purchase Prices and other terms of sale of the Units in accordance with the Plan, except that no such change shall affect any Unit for which an Agreement for purchase is then in effect without the consent of the Purchaser thereof.

3. **Definitions**

Except as herein defined, all capitalized terms used in this Amendment which are defined in the Plan shall have the respective meaning ascribed to such terms in the Plan.

4. **Incorporation of the Plan**

The Plan, as modified and supplemented by this Amendment, is incorporated herein by reference with the same force and effect as if set forth at length.

5. **No Material Changes in the Plan**

There have been no material changes in the Plan except as set forth in this Amendment. The Plan, as hereby amended, does not knowingly omit any material fact.

Dated: May 20, 2005

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

325 Fifth Avenue Condominium
Amendment 5 -- Exhibit 1

Unit	New Offering Price
10A	$ 1,500,000
11A	$ 1,515,000
12A	$ 1,530,000
14A	$ 1,545,000
15A	$ 1,560,000
16A	$ 1,575,000
17A	$ 1,590,000
18A	$ 1,605,000
19A	$ 1,620,000
20A	$ 1,625,000
21A	$ 1,630,000
22A	$ 1,640,000
23A	$ 1,655,000
24A	$ 1,670,000
25A	$ 1,685,000
26B	$ 1,640,000
27B	$ 1,660,000
28B	$ 1,680,000
29B	$ 1,700,000
30B	$ 1,720,000
31B	$ 1,740,000
32B	$ 1,760,000
33B	$ 1,780,000
34B	$ 1,800,000
35B	$ 1,820,000
36B	$ 1,840,000
37B	$ 1,860,000
38B	$ 1,880,000
39B	$ 1,900,000
40B	$ 1,920,000
41B	$ 1,940,000
42B	$ 1,960,000
9C	$ 1,525,000
10C	$ 1,545,000
11C	$ 1,565,000
12C	$ 1,585,000
14C	$ 1,610,000
15C	$ 1,630,000
16C	$ 1,650,000
17C	$ 1,670,000
18C	$ 1,690,000
19C	$ 1,695,000
20C	$ 1,700,000
21C	$ 1,710,000
22C	$ 1,730,000
23C	$ 1,750,000
24C	$ 1,770,000
25C	$ 1,790,000
26D	$ 1,610,000
27D	$ 1,630,000
28D	$ 1,650,000

325 Fifth Avenue Condominium
Amendment 5 -- Exhibit 1

Unit	New Offering Price
29D	$ 1,670,000
30D	$ 1,690,000
31D	$ 1,710,000
32D	$ 1,730,000
33D	$ 1,750,000
34D	$ 1,770,000
35D	$ 1,790,000
36D	$ 1,795,000
37D	$ 1,800,000
38D	$ 1,805,000
39D	$ 1,820,000
40D	$ 1,840,000
41D	$ 1,860,000
42D	$ 1,880,000
9F	$ 790,000
10F	$ 800,000
11F	$ 810,000
12F	$ 820,000
14F	$ 830,000
15F	$ 840,000
16F	$ 850,000
17F	$ 860,000
18F	$ 870,000
19F	$ 880,000
20F	$ 890,000
21F	$ 900,000
22F	$ 910,000
23F	$ 920,000
24F	$ 930,000
25F	$ 940,000
9G	$ 915,000
10G	$ 922,500
11G	$ 930,000
12G	$ 937,500
14G	$ 945,000
15G	$ 952,500
16G	$ 960,000
17G	$ 967,500
18G	$ 975,000
19G	$ 982,500
20G	$ 990,000
21G	$ 997,500
22G	$ 1,005,000
23G	$ 1,012,500
24G	$ 1,020,000
25G	$ 1,027,500
9H	$ 1,395,000
10H	$ 1,415,000
11H	$ 1,435,000
12H	$ 1,515,000
14H	$ 1,535,000

325 Fifth Avenue Condominium
Amendment 5 -- Exhibit 1

Unit	New Offering Price
15H	$ 1,555,000
16H	$ 1,575,000
17H	$ 1,595,000
18H	$ 1,615,000
19H	$ 1,635,000
20H	$ 1,655,000
21H	$ 1,675,000
22H	$ 1,695,000
23H	$ 1,715,000
24H	$ 1,735,000
25H	$ 1,755,000

FOURTH AMENDMENT
TO
CONDOMINIUM OFFERING PLAN
FOR
325 FIFTH AVENUE CONDOMINIUM

This Fourth Amendment (this "Amendment") modifies and supplements the terms of the Condominium Offering Plan for the premises known as 325 Fifth Avenue Condominium, 321-329 Fifth Avenue, New York, New York 10016, first accepted for filing on April 8, 2005 (and as previously amended, the "Plan") and is incorporated into and should be read in conjunction with the Plan. The terms of this Amendment are as follows:

1. **Purpose of Amendment**

The purpose of this amendment is to effect a price change with respect to certain Units owned by Continental Residential Holdings, LLC ("Sponsor").

2. **Increase in Certain Purchase Prices**

Schedule A of the Plan is hereby amended by increasing the Purchase Prices of those Units shown on Exhibit 1 annexed hereto to the new prices set forth for such Units on such Exhibit. Sponsor reserves the right to revise further the Purchase Prices and other terms of sale of the Units in accordance with the Plan, except that no such change shall affect any Unit for which an Agreement for purchase is then in effect without the consent of the Purchaser thereof.

3. **Definitions**

Except as herein defined, all capitalized terms used in this Amendment which are defined in the Plan shall have the respective meaning ascribed to such terms in the Plan.

4. **Incorporation of the Plan**

The Plan, as modified and supplemented by this Amendment, is incorporated herein by reference with the same force and effect as if set forth at length.

5. **No Material Changes in the Plan**

There have been no material changes in the Plan except as set forth in this Amendment. The Plan, as hereby amended, does not knowingly omit any material fact.

Dated: May 19, 2005

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

325 Fifth Avenue Condominium
Amendment 4 -- Exhibit 1

Unit	New Offering Price
8A	$ 2,195,000
10A	$ 1,400,000
11A	$ 1,415,000
12A	$ 1,430,000
14A	$ 1,445,000
15A	$ 1,460,000
16A	$ 1,475,000
17A	$ 1,490,000
18A	$ 1,505,000
19A	$ 1,520,000
20A	$ 1,525,000
21A	$ 1,530,000
22A	$ 1,540,000
23A	$ 1,555,000
24A	$ 1,570,000
25A	$ 1,585,000
26A	$ 1,870,000
27A	$ 1,890,000
28A	$ 1,910,000
29A	$ 1,930,000
30A	$ 1,950,000
31A	$ 1,970,000
32A	$ 1,990,000
33A	$ 2,010,000
34A	$ 2,030,000
35A	$ 2,050,000
36A	$ 2,070,000
37A	$ 2,090,000
38A	$ 2,110,000
39A	$ 2,130,000
40A	$ 2,150,000
41A	$ 2,170,000
42A	$ 2,190,000
43A	$ 4,500,000
8B	$ 2,400,000
26B	$ 1,565,000
27B	$ 1,585,000
28B	$ 1,605,000
29B	$ 1,625,000
30B	$ 1,645,000
31B	$ 1,665,000
32B	$ 1,685,000
33B	$ 1,705,000
34B	$ 1,725,000
35B	$ 1,745,000
36B	$ 1,765,000
37B	$ 1,785,000
38B	$ 1,805,000
39B	$ 1,825,000
40B	$ 1,845,000
41B	$ 1,865,000

325 Fifth Avenue Condominium
Amendment 4 -- Exhibit 1

Unit	New Offering Price	
42B	$	1,885,000
8C	$	995,000
9C	$	1,425,000
10C	$	1,445,000
11C	$	1,465,000
12C	$	1,485,000
14C	$	1,510,000
15C	$	1,530,000
16C	$	1,550,000
17C	$	1,570,000
18C	$	1,590,000
19C	$	1,595,000
20C	$	1,600,000
21C	$	1,610,000
22C	$	1,630,000
23C	$	1,650,000
24C	$	1,670,000
25C	$	1,690,000
26C	$	1,325,000
27C	$	1,345,000
28C	$	1,365,000
29C	$	1,385,000
30C	$	1,405,000
31C	$	1,425,000
32C	$	1,445,000
33C	$	1,465,000
34C	$	1,485,000
35C	$	1,505,000
36C	$	1,525,000
37C	$	1,540,000
38C	$	1,555,000
39C	$	1,570,000
40C	$	1,585,000
41C	$	1,600,000
42C	$	1,615,000
43C	$	1,815,000
44C	$	1,840,000
45C	$	1,865,000
8D	$	850,000
9D	$	1,085,000
10D	$	1,095,000
11D	$	1,115,000
12D	$	1,125,000
14D	$	1,135,000
15D	$	1,145,000
16D	$	1,155,000
17D	$	1,165,000
18D	$	1,175,000
19D	$	1,185,000
20D	$	1,195,000
21D	$	1,205,000

325 Fifth Avenue Condominium
Amendment 4 -- Exhibit 1

Unit	New Offering Price
22D	$ 1,215,000
23D	$ 1,225,000
24D	$ 1,235,000
25D	$ 1,245,000
26D	$ 1,560,000
27D	$ 1,580,000
28D	$ 1,600,000
29D	$ 1,620,000
30D	$ 1,640,000
31D	$ 1,660,000
32D	$ 1,680,000
33D	$ 1,700,000
34D	$ 1,720,000
35D	$ 1,740,000
36D	$ 1,745,000
37D	$ 1,750,000
38D	$ 1,755,000
44D	$ 2,000,000
45D	$ 1,850,000
8E	$ 825,000
9E	$ 785,000
10E	$ 795,000
11E	$ 805,000
12E	$ 815,000
14E	$ 825,000
15E	$ 845,000
16E	$ 855,000
17E	$ 865,000
18E	$ 885,000
19E	$ 895,000
20E	$ 905,000
21E	$ 910,000
22E	$ 912,500
23E	$ 915,000
24E	$ 925,000
25E	$ 935,000
8F	$ 2,650,000
9F	$ 775,000
10F	$ 785,000
11F	$ 795,000
12F	$ 805,000
14F	$ 815,000
15F	$ 825,000
16F	$ 835,000
17F	$ 845,000
18F	$ 855,000
19F	$ 865,000
20F	$ 875,000
21F	$ 885,000
22F	$ 895,000
23F	$ 905,000

325 Fifth Avenue Condominium
Amendment 4 -- Exhibit 1

Unit	New Offering Price
24F	$ 915,000
25F	$ 925,000
26F	$ 1,600,000
27F	$ 1,620,000
28F	$ 1,640,000
29F	$ 1,660,000
30F	$ 1,680,000
31F	$ 1,700,000
32F	$ 1,720,000
33F	$ 1,740,000
34F	$ 1,760,000
35F	$ 1,780,000
36F	$ 1,800,000
37F	$ 1,820,000
38F	$ 1,840,000
39F	$ 1,860,000
40F	$ 1,880,000
41F	$ 1,900,000
42F	$ 1,920,000
9G	$ 890,000
10G	$ 897,500
11G	$ 905,000
12G	$ 912,500
14G	$ 920,000
15G	$ 927,500
16G	$ 935,000
17G	$ 942,500
18G	$ 950,000
19G	$ 957,500
20G	$ 965,000
21G	$ 972,500
22G	$ 980,000
23G	$ 987,500
24G	$ 995,000
25G	$ 1,002,500
9H	$ 1,345,000
10H	$ 1,365,000
11H	$ 1,385,000
12H	$ 1,465,000
14H	$ 1,485,000
15H	$ 1,505,000
16H	$ 1,525,000
17H	$ 1,545,000
18H	$ 1,565,000
19H	$ 1,585,000
20H	$ 1,605,000
21H	$ 1,625,000
22H	$ 1,645,000
23H	$ 1,665,000
24H	$ 1,685,000
25H	$ 1,705,000

325 Fifth Avenue Condominium
Amendment 4 -- Exhibit 1

Unit	New Offering Price	
PH46A	$	5,000,000
PH46B	$	4,000,000
PH46C	$	5,025,000

THIRD AMENDMENT
TO
CONDOMINIUM OFFERING PLAN
FOR
325 FIFTH AVENUE CONDOMINIUM

This Third Amendment (this "Amendment") modifies and supplements the terms of the Condominium Offering Plan for the premises known as 325 Fifth Avenue Condominium, 321-329 Fifth Avenue, New York, New York 10016, first accepted for filing on April 8, 2005 (and as previously amended, the "Plan") and is incorporated into and should be read in conjunction with the Plan. The terms of this Amendment are as follows:

1. **Purpose of Amendment**

The purpose of this amendment is to effect a price change with respect to certain Units owned by Continental Residential Holdings, LLC ("Sponsor").

2. **Increase in Certain Purchase Prices**

Schedule A of the Plan is hereby amended by increasing the Purchase Prices of those Units shown on Exhibit 1 annexed hereto to the new prices set forth for such Units on such Exhibit. Sponsor reserves the right to revise further the Purchase Prices and other terms of sale of the Units in accordance with the Plan, except that no such change shall affect any Unit for which an Agreement for purchase is then in effect without the consent of the Purchaser thereof.

3. **Definitions**

Except as herein defined, all capitalized terms used in this Amendment which are defined in the Plan shall have the respective meaning ascribed to such terms in the Plan.

4. **Incorporation of the Plan**

The Plan, as modified and supplemented by this Amendment, is incorporated herein by reference with the same force and effect as if set forth at length.

5. **No Material Changes in the Plan**

There have been no material changes in the Plan except as set forth in this Amendment. The Plan, as hereby amended, does not knowingly omit any material fact.

Dated: May 13, 2005

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

325 Fifth Avenue Condominium
Amendment 3 -- Exhibit 1

Unit	New Offering Price	
10A	$	1,350,000
11A	$	1,365,000
12A	$	1,380,000
14A	$	1,395,000
15A	$	1,410,000
16A	$	1,425,000
17A	$	1,440,000
18A	$	1,455,000
19A	$	1,470,000
20A	$	1,485,000
21A	$	1,500,000
22A	$	1,515,000
23A	$	1,530,000
24A	$	1,545,000
25A	$	1,560,000
26A	$	1,820,000
27A	$	1,840,000
28A	$	1,860,000
29A	$	1,880,000
30A	$	1,900,000
31A	$	1,920,000
32A	$	1,940,000
33A	$	1,960,000
34A	$	1,980,000
35A	$	2,000,000
36A	$	2,020,000
37A	$	2,040,000
38A	$	2,060,000
39A	$	2,080,000
40A	$	2,100,000
41A	$	2,120,000
42A	$	2,140,000
43A	$	4,400,000
45A	$	3,100,000
9B	$	800,000
10B	$	810,000
11B	$	820,000
12B	$	830,000
14B	$	840,000
15B	$	850,000
16B	$	860,000
17B	$	870,000
18B	$	880,000
19B	$	890,000
20B	$	900,000
21B	$	910,000
22B	$	920,000
23B	$	930,000
24B	$	940,000
25B	$	950,000
43B	$	2,030,000

325 Fifth Avenue Condominium
Amendment 3 -- Exhibit 1

Unit	New Offering Price
44B	$ 2,050,000
45B	$ 2,070,000
8C	$ 900,000
9C	$ 1,350,000
10C	$ 1,370,000
11C	$ 1,390,000
12C	$ 1,410,000
14C	$ 1,435,000
15C	$ 1,455,000
16C	$ 1,475,000
17C	$ 1,495,000
18C	$ 1,515,000
8D	$ 745,000
9D	$ 1,010,000
10D	$ 1,020,000
11D	$ 1,040,000
12D	$ 1,050,000
14D	$ 1,060,000
15D	$ 1,070,000
16D	$ 1,080,000
17D	$ 1,090,000
18D	$ 1,100,000
19D	$ 1,110,000
20D	$ 1,120,000
21D	$ 1,130,000
22D	$ 1,140,000
23D	$ 1,150,000
24D	$ 1,160,000
25D	$ 1,170,000
26D	$ 1,510,000
27D	$ 1,530,000
28D	$ 1,550,000
29D	$ 1,570,000
30D	$ 1,590,000
31D	$ 1,610,000
32D	$ 1,630,000
33D	$ 1,650,000
34D	$ 1,670,000
35D	$ 1,690,000
36D	$ 1,710,000
37D	$ 1,730,000
38D	$ 1,750,000
39D	$ 1,770,000
40D	$ 1,790,000
41D	$ 1,810,000
42D	$ 1,830,000
8E	$ 720,000
26E	$ 1,110,000
27E	$ 1,120,000
28E	$ 1,130,000
29E	$ 1,140,000

325 Fifth Avenue Condominium
Amendment 3 -- Exhibit 1

Unit	New Offering Price
30E	$ 1,150,000
31E	$ 1,160,000
32E	$ 1,170,000
33E	$ 1,180,000
34E	$ 1,190,000
35E	$ 1,200,000
36E	$ 1,210,000
37E	$ 1,220,000
38E	$ 1,230,000
39E	$ 1,240,000
40E	$ 1,250,000
41E	$ 1,260,000
42E	$ 1,270,000
8F	$ 2,550,000
9F	$ 750,000
10F	$ 760,000
11F	$ 770,000
12F	$ 780,000
14F	$ 790,000
15F	$ 800,000
16F	$ 810,000
17F	$ 820,000
18F	$ 830,000
19F	$ 840,000
20F	$ 850,000
21F	$ 860,000
22F	$ 870,000
23F	$ 880,000
24F	$ 890,000
25F	$ 900,000
9G	$ 865,000
10G	$ 872,500
11G	$ 880,000
12G	$ 887,500
14G	$ 895,000
15G	$ 902,500
16G	$ 910,000
17G	$ 917,500
18G	$ 925,000
19G	$ 932,500
20G	$ 940,000
21G	$ 947,500
22G	$ 955,000
23G	$ 962,500
24G	$ 970,000
25G	$ 977,500
9H	$ 1,295,000
10H	$ 1,315,000
11H	$ 1,335,000
12H	$ 1,415,000
14H	$ 1,435,000

325 Fifth Avenue Condominium
Amendment 3 -- Exhibit 1

Unit	New Offering Price
15H	$ 1,455,000
16H	$ 1,475,000
17H	$ 1,495,000
18H	$ 1,515,000
19H	$ 1,535,000
20H	$ 1,555,000
21H	$ 1,575,000
22H	$ 1,595,000
23H	$ 1,615,000
24H	$ 1,635,000
25H	$ 1,655,000

SECOND AMENDMENT
TO
CONDOMINIUM OFFERING PLAN
FOR
325 FIFTH AVENUE CONDOMINIUM

This Second Amendment (this "Amendment") modifies and supplements the terms of the Condominium Offering Plan for the premises known as 325 Fifth Avenue Condominium, 321-329 Fifth Avenue, New York, New York 10016, first accepted for filing on April 8, 2005 (and as previously amended, the "Plan") and is incorporated into and should be read in conjunction with the Plan. The terms of this Amendment are as follows:

1. **Purpose of Amendment**

The purpose of this amendment is to effect a price change with respect to certain Units owned by Continental Residential Holdings, LLC ("Sponsor").

2. **Increase in Certain Purchase Prices**

Schedule A of the Plan is hereby amended by increasing the Purchase Prices of those Units shown on Exhibit 1 annexed hereto to the new prices set forth for such Units on such Exhibit. Sponsor reserves the right to revise further the Purchase Prices and other terms of sale of the Units in accordance with the Plan, except that no such change shall affect any Unit for which an Agreement for purchase is then in effect without the consent of the Purchaser thereof.

3. **Definitions**

Except as herein defined, all capitalized terms used in this Amendment which are defined in the Plan shall have the respective meaning ascribed to such terms in the Plan.

4. **Incorporation of the Plan**

The Plan, as modified and supplemented by this Amendment, is incorporated herein by reference with the same force and effect as if set forth at length.

5. **No Material Changes in the Plan**

There have been no material changes in the Plan except as set forth in this Amendment. The Plan, as hereby amended, does not knowingly omit any material fact.

Dated: May 11, 2005

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

325 Fifth Avenue Condominium
Amendment 2 -- Exhibit 1

Unit	New Offering Price
10A	$ 1,250,000
11A	$ 1,265,000
12A	$ 1,280,000
14A	$ 1,295,000
15A	$ 1,310,000
16A	$ 1,325,000
17A	$ 1,340,000
18A	$ 1,355,000
19A	$ 1,370,000
20A	$ 1,385,000
21A	$ 1,400,000
22A	$ 1,415,000
23A	$ 1,430,000
24A	$ 1,445,000
25A	$ 1,460,000
26A	$ 1,720,000
27A	$ 1,740,000
28A	$ 1,760,000
29A	$ 1,780,000
30A	$ 1,800,000
31A	$ 1,820,000
32A	$ 1,840,000
33A	$ 1,860,000
34A	$ 1,880,000
35A	$ 1,900,000
36A	$ 1,920,000
37A	$ 1,940,000
38A	$ 1,960,000
39A	$ 1,980,000
40A	$ 2,000,000
41A	$ 2,020,000
42A	$ 2,040,000
43A	$ 4,300,000
9B	$ 725,000
10B	$ 735,000
11B	$ 745,000
12B	$ 755,000
14B	$ 765,000
15B	$ 775,000
16B	$ 785,000
17B	$ 795,000
18B	$ 805,000
19B	$ 815,000
20B	$ 825,000
21B	$ 835,000
22B	$ 845,000
23B	$ 855,000
24B	$ 865,000
25B	$ 875,000
26B	$ 1,515,000
27B	$ 1,535,000

325 Fifth Avenue Condominium
Amendment 2 -- Exhibit 1

Unit	New Offering Price
28B	$ 1,555,000
29B	$ 1,575,000
30B	$ 1,595,000
31B	$ 1,615,000
32B	$ 1,635,000
33B	$ 1,655,000
34B	$ 1,675,000
35B	$ 1,695,000
36B	$ 1,715,000
37B	$ 1,735,000
38B	$ 1,755,000
39B	$ 1,775,000
40B	$ 1,795,000
41B	$ 1,815,000
42B	$ 1,835,000
43B	$ 1,930,000
44B	$ 1,950,000
45B	$ 1,970,000
8C	$ 880,000
9C	$ 1,300,000
10C	$ 1,320,000
11C	$ 1,340,000
12C	$ 1,360,000
14C	$ 1,385,000
15C	$ 1,405,000
16C	$ 1,425,000
17C	$ 1,445,000
18C	$ 1,465,000
19C	$ 1,545,000
20C	$ 1,565,000
21C	$ 1,585,000
22C	$ 1,605,000
23C	$ 1,625,000
24C	$ 1,645,000
25C	$ 1,665,000
8D	$ 725,000
9D	$ 910,000
10D	$ 920,000
11D	$ 940,000
12D	$ 950,000
14D	$ 960,000
15D	$ 970,000
16D	$ 980,000
17D	$ 990,000
18D	$ 1,000,000
19D	$ 1,010,000
20D	$ 1,020,000
21D	$ 1,030,000
22D	$ 1,040,000
23D	$ 1,050,000
24D	$ 1,060,000

325 Fifth Avenue Condominium
Amendment 2 -- Exhibit 1

Unit	New Offering Price
25D	$ 1,070,000
26D	$ 1,460,000
27D	$ 1,480,000
28D	$ 1,500,000
29D	$ 1,520,000
30D	$ 1,540,000
31D	$ 1,560,000
32D	$ 1,580,000
33D	$ 1,600,000
34D	$ 1,620,000
35D	$ 1,640,000
36D	$ 1,660,000
37D	$ 1,680,000
38D	$ 1,700,000
39D	$ 1,720,000
40D	$ 1,740,000
41D	$ 1,760,000
42D	$ 1,780,000
8E	$ 700,000
9E	$ 740,000
10E	$ 750,000
11E	$ 760,000
12E	$ 770,000
14E	$ 780,000
15E	$ 800,000
16E	$ 810,000
17E	$ 820,000
18E	$ 840,000
19E	$ 850,000
20E	$ 860,000
21E	$ 870,000
22E	$ 880,000
23E	$ 890,000
24E	$ 900,000
25E	$ 910,000
8F	$ 2,500,000
9F	$ 725,000
10F	$ 735,000
11F	$ 745,000
12F	$ 755,000
14F	$ 765,000
15F	$ 775,000
16F	$ 785,000
17F	$ 795,000
18F	$ 805,000
19F	$ 815,000
20F	$ 825,000
21F	$ 835,000
22F	$ 845,000
23F	$ 855,000
24F	$ 865,000

325 Fifth Avenue Condominium
Amendment 2 -- Exhibit 1

Unit	New Offering Price
25F	$ 875,000
9G	$ 815,000
10G	$ 822,500
11G	$ 830,000
12G	$ 837,500
14G	$ 845,000
15G	$ 852,500
16G	$ 860,000
17G	$ 867,500
18G	$ 875,000
19G	$ 882,500
20G	$ 890,000
21G	$ 897,500
22G	$ 905,000
23G	$ 912,500
24G	$ 920,000
25G	$ 927,500
9H	$ 1,245,000
10H	$ 1,265,000
11H	$ 1,285,000
12H	$ 1,365,000
14H	$ 1,385,000
15H	$ 1,405,000
16H	$ 1,425,000
17H	$ 1,445,000
18H	$ 1,465,000
19H	$ 1,485,000
20H	$ 1,505,000
21H	$ 1,525,000
22H	$ 1,545,000
23H	$ 1,565,000
24H	$ 1,585,000
25H	$ 1,605,000

FIRST AMENDMENT
TO
CONDOMINIUM OFFERING PLAN
FOR
325 FIFTH AVENUE CONDOMINIUM

This First Amendment (this "Amendment") modifies and supplements the terms of the Condominium Offering Plan for the premises known as 325 Fifth Avenue Condominium, 321-325 Fifth Avenue, New York, New York 10016, first accepted for filing on April 8, 2005 (the "Plan") and is incorporated into and should be read in conjunction with the Plan. The terms of this Amendment are as follows:

1. **Purpose of Amendment**

The purpose of this amendment is to effect a price change with respect to certain Units owned by Continental Residential Holdings, LLC ("Sponsor").

2. **Increase in Certain Purchase Prices**

Schedule A of the Plan is hereby amended by increasing the Purchase Prices of those Units shown on Exhibit 1 annexed hereto to the new prices set forth for such Units on such Exhibit. Sponsor reserves the right to revise further the Purchase Prices and other terms of sale of the Units in accordance with the Plan, except that no such change shall affect any Unit for which an Agreement for purchase is then in effect without the consent of the Purchaser thereof.

3. **Definitions**

Except as herein defined, all capitalized terms used in this Amendment which are defined in the Plan shall have the respective meaning ascribed to such terms in the Plan.

4. **Incorporation of the Plan**

The Plan, as modified and supplemented by this Amendment, is incorporated herein by reference with the same force and effect as if set forth at length.

5. **No Material Changes in the Plan**

There have been no material changes in the Plan except as set forth in this Amendment. The Plan, as hereby amended, does not knowingly omit any material fact.

Dated: April 21, 2005

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

325 Fifth Avenue Condominium
Amendment 1 -- Exhibit 1

Unit	New Offering Price
10A	$ 1,225,000
11A	$ 1,240,000
12A	$ 1,255,000
14A	$ 1,270,000
15A	$ 1,285,000
16A	$ 1,300,000
17A	$ 1,315,000
18A	$ 1,330,000
19A	$ 1,345,000
20A	$ 1,360,000
21A	$ 1,375,000
22A	$ 1,390,000
23A	$ 1,405,000
24A	$ 1,420,000
25A	$ 1,435,000
26A	$ 1,695,000
27A	$ 1,715,000
28A	$ 1,735,000
29A	$ 1,755,000
30A	$ 1,775,000
31A	$ 1,795,000
32A	$ 1,815,000
33A	$ 1,835,000
34A	$ 1,855,000
35A	$ 1,875,000
36A	$ 1,895,000
37A	$ 1,915,000
38A	$ 1,935,000
39A	$ 1,955,000
40A	$ 1,975,000
41A	$ 1,995,000
42A	$ 2,015,000
9B	$ 710,000
10B	$ 720,000
11B	$ 730,000
12B	$ 740,000
14B	$ 750,000
15B	$ 760,000
16B	$ 770,000
17B	$ 780,000
18B	$ 790,000
19B	$ 800,000
20B	$ 810,000
21B	$ 820,000
22B	$ 830,000
23B	$ 840,000
24B	$ 850,000
25B	$ 860,000
26B	$ 1,490,000
27B	$ 1,510,000
28B	$ 1,530,000

325 Fifth Avenue Condominium
Amendment 1 -- Exhibit 1

Unit	New Offering Price	
29B	$	1,550,000
30B	$	1,570,000
31B	$	1,590,000
32B	$	1,610,000
33B	$	1,630,000
34B	$	1,650,000
35B	$	1,670,000
36B	$	1,690,000
37B	$	1,710,000
38B	$	1,730,000
39B	$	1,750,000
40B	$	1,770,000
41B	$	1,790,000
42B	$	1,810,000
43B	$	1,880,000
44B	$	1,900,000
45B	$	1,920,000
9C	$	1,275,000
10C	$	1,295,000
11C	$	1,315,000
12C	$	1,335,000
14C	$	1,360,000
15C	$	1,380,000
16C	$	1,400,000
17C	$	1,420,000
18C	$	1,440,000
19C	$	1,520,000
20C	$	1,540,000
21C	$	1,560,000
22C	$	1,580,000
23C	$	1,600,000
24C	$	1,620,000
25C	$	1,640,000
43C	$	1,765,000
44C	$	1,790,000
45C	$	1,815,000
26D	$	1,450,000
27D	$	1,470,000
28D	$	1,490,000
29D	$	1,510,000
30D	$	1,530,000
31D	$	1,550,000
32D	$	1,570,000
33D	$	1,590,000
34D	$	1,610,000
35D	$	1,630,000
36D	$	1,650,000
37D	$	1,670,000
38D	$	1,690,000
39D	$	1,710,000
40D	$	1,730,000

325 Fifth Avenue Condominium
Amendment 1 -- Exhibit 1

Unit	New Offering Price	
41D	$	1,750,000
42D	$	1,770,000
12H	$	1,340,000
14H	$	1,360,000
15H	$	1,380,000
16H	$	1,400,000
17H	$	1,420,000
18H	$	1,440,000
19H	$	1,460,000
20H	$	1,480,000
21H	$	1,500,000
22H	$	1,520,000
23H	$	1,540,000
24H	$	1,560,000
25H	$	1,580,000

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SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS

1. Sponsor's Right to Lease Unsold Units

Because Sponsor is retaining the unconditional right to rent rather than sell Units, this Plan may not result in the creation of a condominium in which a majority of the Units are owned by owner-occupants or investors unrelated to the Sponsor. In addition, there is no commitment to sell more Units than the 15 percent of Units necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the condominium. Sponsor will endeavor in good faith to sell, but nevertheless reserves the unconditional right to rent or lease, rather than sell, the Units offered hereunder. As a result, Purchaser may be acquiring a Unit that has been previously occupied, but unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at closing free and clear of all leases and tenancies. (See Sections A, I and O in Part I of the Plan for further discussion.)

2. Use Provisions

325 Fifth Avenue Condominium will initially consist of 250 Residential Units, 105 Storage Units, 2 Commercial Units and the Common Elements. Only the Residential Units and Storage Units (and their appurtenant interest in the Common Elements) are offered pursuant to this offering plan.

The Residential Units may generally only be used for residential purposes and may be leased by the Unit Owners thereof to tenants only for periods of one year or longer, as provided in the By-Laws.

The Storage Units may be used only for storage purposes, provided, however, that Sponsor or its designee shall have the right to use any Unsold Storage Units for any lawful purpose, or to change the permitted use of any Unsold Storage Units, subject, however, to certain restrictions set forth in the By-Laws. To protect the security of the Building, any owner or lessee of any such Storage Unit must also at all times be (if the owner of such Storage Unit) the owner, or (if the lessee of such Storage Unit) the lessee or owner, of a Residential Unit, provided, however that the foregoing restrictions shall not apply to Sponsor or its designee; to the Board its designees; or to the acquisition of a Storage Unit pursuant to an action to foreclose a lien arising out of non-payment of real estate taxes or assessments or a mortgage encumbering such Storage Unit. There are no restrictions upon the number of Storage Units any Purchaser may purchase at any time or from time to time.

The Commercial Units (not offered hereby) may be used for any lawful purpose, including, without limitation, for retail, restaurant, banking, commercial, office, storage, garage and utility purposes. The Condominium's board of managers (the "Board") will have no right to restrict or limit any of the uses of, or alterations in or to, the Commercial Units (including the storefronts thereof) which are permitted by law and applicable zoning ordinances, except as otherwise set forth in the By-Laws and Declaration. It is currently anticipated that Commercial Unit 1 will initially be used for retail purposes (and ancillary uses) and that Commercial Unit 2 will initially be used as a parking garage (and ancillary uses), although no representation or

warranty is made with respect to such initial or any subsequent uses of such Commercial Units or with respect to who the owner or tenant(s) of the Commercial Units may be at any time. No income derived from any use of the Commercial Units will constitute income to the Board or the Residential Unit Owners. (See Sections B and R in Part I of the Plan for further discussion.)

3. Purchaser Deposits; Defaults by Purchasers

At the time an agreement for the purchase of a Unit (an "Agreement") is executed, the Purchaser thereunder is required to make a payment in an amount equal to 10% of the purchase price set forth therein (the "Initial Deposit"); and an additional payment equal to 5% of such purchase price (the "Additional Deposit") due and payable no later than the earlier to occur of: (x) four months after the date of the Agreement; or (y) 15 days after Sponsor serves Purchaser with written notice of an amendment to the Offering Plan declaring the same effective, but in no event later than the closing of title to the Unit. The term "Deposit" as used herein refers to both the Initial Deposit and, if the same has been paid at the time in question, the Additional Deposit. Notwithstanding the foregoing, if a Purchaser is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser will be required to make an Initial Deposit equal to 50% of the applicable purchase price and will not be required to make an Additional Deposit. The portion of any Deposit made by a Purchaser in connection with the purchase of a Unit in excess of $100,000 in the aggregate will not be federally insured.

In the event a Purchaser defaults under an Agreement, time being of the essence with regard to the obligations of the Purchaser thereunder, and does not cure such default within 30 days after Sponsor gives notice to the Purchaser of such default, Sponsor may, at its option, cancel such Agreement and retain, as liquidated damages, the Deposit made by the Purchaser, together with interest earned thereon, if any. Additionally, if a Purchaser fails for any reason to close title on the originally scheduled closing date and Sponsor elects not to cancel the Agreement: (a) the closing apportionments to be made at the closing will be made as of midnight of the day preceding the originally scheduled closing date; and (b) the Purchaser will be required to pay to Sponsor an amount equal to 0.04% of the purchase price of the Unit(s) in question for each day that the closing is adjourned. (See Sections J and M in Part I of the Plan for further discussion.)

4. 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 an Agreement shall not be contingent on the Purchaser obtaining such financing, so that a Purchaser will remain obligated under the Agreement whether or not such Purchaser has been able to obtain financing. Neither Sponsor nor 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 liability as a result of any scheduling, rescheduling or adjournment of closing beyond the expiration of a loan commitment. (See Sections J and M in Part I of the Plan for further discussion.)

5. Agreement/No Rescission

The Agreement between Sponsor and a Purchaser, the form of which is set forth as Exhibit 1 in Part II of the Plan, in respect of the purchase of a Unit requires the making of an Initial Deposit and, subject to the terms of the Plan and the Agreement, an Additional Deposit. Each of such payments is in consideration of the granting (or continuation) of the right pursuant to such Agreement to purchase the Unit which is the subject thereof in accordance with the terms of the Plan. Provided a Purchaser shall have timely made its Deposit, such Purchaser shall have (or continue to have) the right to purchase its Unit at the stated purchase price and upon the terms and conditions set forth in the Agreement and in the Plan. The Deposit, and all other amounts paid by a Purchaser to Sponsor pursuant to the Agreement and/or the Plan in connection with the purchase of a Unit, shall be such Purchaser's own funds (and not a third party's). In the event a Purchaser elects not to exercise its right to purchase (by closing title in accordance with the terms of the Plan and the Agreement) after payment of any Deposit, the Deposit previously paid (together with any interest thereon) shall be retained by Sponsor (subject to the terms of the Plan), as liquidated damages, it being acknowledged and agreed by Sponsor and each Purchaser that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of such a default by a prospective Purchaser, and that the Deposit (including all interest) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred, including, without limitation, attorneys' fees, and shall be paid by Purchaser to and retained by Sponsor as Sponsor's sole and exclusive remedy. In such case, Purchaser shall have no further liability to Sponsor in respect of the Agreement (except for those matters expressly specified therein or herein to survive the termination thereof); however, such Purchaser shall not have any right whatsoever to the return of all or any portion of its Deposit (or any interest thereon). The payment of the Deposit (including all interest) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor. Purchasers are advised that notwithstanding the foregoing, including, without limitation, Sponsor not having the right of specific performance, nothing herein shall be deemed to grant Purchaser any right of rescission and/or any right to the return of all or any portion of a Deposit except as expressly set forth in the Plan. (See Sections J and M in Part I of the Plan for further discussion.)

6. Control by Sponsor; First Meeting

The powers and duties necessary for or incidental to the administration of the affairs of the Condominium will be vested in the Board. Sponsor will be entitled to designate a majority of the members of the Board until the later to occur of: (i) the fifth anniversary of the first closing of title to a Residential Unit by Sponsor pursuant to an Agreement (the "First Closing"); or (ii) the closing of title to Residential Units representing more than 75%, both in number and in aggregate Common Interests, of all Residential Units.

Therefore, during this period (the "Initial Control Period") Sponsor will be able to control the maintenance and operation of, and services to be provided by, the Condominium; Sponsor will also be able to control the determination of the Common Charges to be paid by all Unit Owners. Moreover, during the Initial Control Period, the Board may not, without the prior

written consent of Sponsor: (i) make any addition, alteration or improvement to the Common Elements or any Unit (unless required by any applicable laws, statutes and ordinances (including, without limitation, environmental laws, and all building codes and zoning ordinances) and the orders, rules, regulations, directives, binding resolutions and requirements of all governmental authorities (including, without limitation, the New York City Department of Buildings, the City Planning Commission, the boards of fire underwriters or any public authority or agency having jurisdiction), whether in force as of the date hereof or hereafter, which are or become, or purport to be, applicable to the Property or any part thereof ("Legal Requirements"); (ii) assess any Common Charges for the creation of, addition to or replacement of all or any reserve, contingency or surplus fund; (iii) increase or decrease the number of, or change the kind of, employees initially hired for the Building, as provided for in Schedule B - "Projected Budget for First Year of Condominium Operation" set forth in the Offering Plan (the "First Year's Budget"); (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services; (v) borrow money on behalf of the Condominium (other than the indebtedness in connection with the Resident Manager's Unit (as defined below) or unless any such borrowing is approved by the owners of Units representing at least 75% both in number and aggregate Common Interests of all Units); or (vi) exercise any right of first refusal to lease or purchase a Residential Unit. However, the Board may perform any function or take any action enumerated in subsections (i) through (vi) hereinabove without the consent of Sponsor if, and only if, the performance of such function or the carrying out of such action is necessary, and no other alternative is available, either to enable the Board to comply with any Legal Requirements, or to remedy any notice of violation entered against the Condominium, or to comply with any proper work order by an insurer of the Building, or for the health and safety (but not the general comfort or welfare) of the occupants of the Building.

The Board shall consist of three members designated by Sponsor from time to time until the first annual meeting of Unit Owners (the "First Annual Meeting"), at which time the incumbent Board will resign and a new seven member Board will be elected by the Unit Owners. The First Annual Meeting shall be held not later than 30 days following the later to occur of: (a) the first anniversary of the First Closing; or (b) the closing of title to Units representing at least 50% both in number and aggregate Common Interests of all Units. However, at elections of members to the Board held during the Initial Control Period, Sponsor and/or its designee shall have the right to elect and/or designate not more than four members of the Board, in the aggregate, who are related to or affiliated with Sponsor, such designee or other Unsold Unit Owner(s), and Sponsor, such designee and all other Unit Owners shall have the right to elect the remaining three members of the Board who shall not be related to or affiliated with Sponsor, such designee or other Unsold Unit Owners.

As a result of the foregoing, there is no provision in the by-laws for a majority of the Board to be owner-occupants or members of an owner-occupant's household who are unrelated to the sponsor and its principals within one year after the First Closing. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

(See Sections P and Q in Part I of the Plan for further discussion.)

7. Interim Service Period

Prospective Purchasers are advised that until the later of: (i) twelve months after the First Closing; or (ii) the closing of title to and occupancy of at least 50% in number and Common Interests of the Residential Units, some of the services and facilities described in the Plan (such as some of the elevators, or a full staff of building personnel) may not be available. However, it is anticipated that at all times after the First Closing, the lobby will be attended 24 hours a day, seven days a week, and there will be at least one elevator servicing every floor on which there are occupied Residential Units. The interim level of staffing will at all times during this period be commensurate with the levels of occupancy from time to time and adequate to properly maintain the Building.

8. Additional Building Work

Construction in general is a complicated process which requires the coordination of numerous concurrent tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems, all of which is subject to unanticipated delays and difficulties and necessarily involves noise, disruption and inconvenience. Thus, for a period of time following the First Closing (through, including and beyond the closing of title to any particular purchaser's Residential Unit), work should be expected to be undertaken and continue by or on behalf of: (i) Sponsor to complete the balance of the Building; (ii) individual Residential Unit Owners within their Residential Units (to perform custom renovations, etc.); and (iii) the Commercial Unit Owners to complete construction, build-out, furnishing and equipping their Units. During at least the First Year of Operation, construction workers and related personnel of Sponsor and others will be at the Property from time to time performing construction work, making adjustments and performing various other tasks related to the completion of construction, fitting out of, and moving into, the Residential Units and other portions of the Building. Various systems, including, but not limited to, water supply, air conditioning, heating, cooling, ventilating and elevators, may require more than a year after any particular Unit closing to complete and may be disrupted temporarily and from time to time. Residential elevators and personnel may be taken out of service and diverted to facilitate construction and exterior hoists may be in place during at least the year following the First Closing, and from time to time thereafter, as needed, in connection with construction being performed in Residential Units by the Unit Owners thereof. Various other adjustments, to windows and elevators and other systems, may require eighteen months or more after the First Closing to complete. Sponsor may not fully complete the decoration or finishing of the lobby, corridors, elevator finishes and other portions of the Building, including, but not limited to, installing light fixtures, painting, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Unit Owners or,

if additional construction within a Unit is anticipated, for some period thereafter. All of the foregoing work and conditions will create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Certain portions of the Common Elements may be completed before or after completion of any particular Purchaser's Unit. As a result, certain amenities and benefits anticipated to be available to Residential Unit Owners (e.g., the Fifth Avenue Club, the Plaza, etc.) may not be available until such other portions of the Building are completed and fully operational. Sponsor shall have no liability whatsoever in the event these services are delayed, not made available, or discontinued or disrupted. Further, the Residential Board and/or Sponsor may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and permanent certificate(s) of occupancy have been obtained therefor. Even where such alterations are permitted, the Residential Board and/or Sponsor may impose conditions and deadlines upon the planning, performing and completion of such work. No assurance can be given with regard to the accuracy of any projected schedules or completion dates set forth herein or with respect to the duration of any interim service period or periods of potential disruption to the Residential Unit Owners and their tenants or occupants, all such dates and timetables, to the extent provided, being only good faith estimates.

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, governmental restrictions, acts of god or other events beyond its reasonable control, construction of the Building will be sufficiently completed to permit closings of title to Residential Units to begin in or about September 2006. Prospective Purchasers should note, however, that the Residential Units will be completed at differing times over a period that may begin prior to and/or extend significantly beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Residential Unit or otherwise be relieved from any obligations under the Agreement, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Residential Unit is accelerated, delayed or postponed by Sponsor, provided, however, that in the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections and if: (i) the amended budget exceeds the projected budget set forth herein by 25% or more; or (ii) the First Closing does not occur within 12 months after September 2006, the date set forth in Schedule B as the commencement date for the projected First Year of Condominium Operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements within not less than 15 days after the presentation date of the amendment containing such revised budget or after such 12-month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Deposit and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. As set forth in the Section of this Plan entitled "Effective Date," no closing of title to any Unit will take place prior to the Plan being declared effective.

9. Resident Manager's Unit

At or after the First Closing, Sponsor will sell a Residential Unit (the "Resident Manager's Unit") to the Board, which will own such Unit on behalf of the Unit Owners and will use the same as the Resident Manager's residence. The purchase price for this Unit, which is currently anticipated to be Unit 9A, will be $1,175,000, payable by a promissory note (the "Resident Manager's Unit Note") which will bear interest at an interest rate of 6% per annum/which is the prevailing rate at the time of such conveyance, and provide for the payment of equal monthly installments of interest only, and which will mature five (5) years after the closing on such Resident Manager's Unit. The principal balance together with any accrued and unpaid interest due thereon shall be payable in full by the Board at the time of maturity (i.e., 5 years after the closing on the Resident Manager's Unit). Payment of the Resident Manager's Unit Note will be secured by a first mortgage on the Resident Manager's Unit. Sponsor does not intend to refinance or extend the Resident Manager's Unit Note and related mortgage at maturity. Purchasers are advised that refinancing by another lender may not be available and that the Board of Managers, in order to repay the purchase money note, may be required to assess all Unit Owners in proportion to their respective Common Interests. The Board will pay all of the same closing costs to purchase the Resident Manager's Unit as any other Purchaser would pay to purchase a Residential Unit under this Plan, as well as an additional $1,000 fee to Kramer Levin Naftalis & Frankel LLP for preparing the note and mortgage to be given by the Board to Sponsor. The closing costs for the Resident Manager's Unit will be paid from the initial Working Capital Fund to be established out of payments made on account thereof by Purchasers at the closings of the purchase of their Residential Units.

In the event the Board of Managers defaults under the note and mortgage, including, but not limited to a default as the result of the Board of Managers' failure to pay the balance of the purchase money note due at maturity, Sponsor may foreclose on the Resident Manager's Unit and if the proceeds from the sale of such Unit are insufficient to satisfy the outstanding mortgage balance and other fees incurred, the Unit Owners could be liable for the deficiency. In the event of such a foreclosure, the Condominium will be without a Resident Manager's Unit and, accordingly, alternate arrangements will be necessary to shelter the Resident Manager in the Condominium or within such distance of the Condominium as is then required by law.

Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Unit 9A to sell to the Condominium as the Resident Manager's Unit; provided, however that such Unit will be approximately equivalent to Unit 9A and will be for a price which will not exceed $1,175,000, and further provided that such sale shall only be made pursuant to an amendment to the Plan and shall not result in the Board incurring financing charges, common charges and real estate taxes, the sum of which exceed the costs of owning Unit 9A as set forth in Schedule B. (See Section E in Part I of the Plan for further discussion.)

10. Prohibition Against Advertising

Purchasers are prohibited from listing their Units for resale with any broker or otherwise advertising, promoting or publicizing the availability of their Units for sale prior to the

closing of title thereto. (See Section K in Part I of the Plan and Exhibit 1 in Part II of the Plan for further information.)

11. No Bond or Other Security

No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, special assessments or real estate taxes with respect to the Unsold Units. Sponsor represents that it has the financial resources to pay such amounts with respect to the Unsold Units and agrees to pay such amounts. (See Section O in Part I of the Plan for further discussion.)

12. Changes in the Commercial Units

Sponsor and any successor Commercial Unit Owner will have the right to alter, divide, subdivide and combine portions of its Commercial Unit, subject to the provisions of all applicable laws and ordinances, and the Declaration and By-Laws. (See Section G in Part I of the Plan for further discussion.)

13. Transfer Taxes; Mansion Taxes; Closing Costs

Purchasers shall be obligated to pay at the closing of title to their Unit(s) the New York City Real Property Transfer Tax and New York State Real Property Transfer Tax ("deed stamps") which by law are the primary obligation of the seller. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to such tax. Currently, for the purchase of a single Residential Unit, the New York City Real Property Transfer Tax is 1% of the Purchase Price of a Unit if such Purchase Price is $500,000 or less and 1.425% of the Purchase Price if such Purchase Price is over $500,000; and the New York State Real Estate Transfer Tax is presently $2 for each $500 (or part thereof) of the Purchase Price of a Residential Unit. Purchasers shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax," currently 1% of the consideration paid when the consideration exceeds $1,000,000, which tax by law is the primary obligation of the Purchaser. Additionally, Purchasers shall be required to pay various other additional closing costs, fees and adjustments. (See Section N in Part I of the Plan for further discussion.)

14. No Reserve Fund/Working Capital Fund

No reserve fund is being established for the Condominium. Sponsor has elected not to provide for a reserve fund to be used for capital replacements or repairs, because the Building will be newly constructed. The Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by special assessment or by increases in Common Charges. A Working Capital Fund will be established through payments made therefor by each Purchaser at Closing to be held or used for working capital and for such other appropriate purposes as the Board may determine. (See Section W in Part I of the Plan for further discussion.)

15. Real Estate Taxes

The estimated real estate taxes payable in respect of each Residential Unit and Storage Unit were calculated on the assumption that the real estate taxes for the Building payable for the First Year of Building Operation, as estimated by Sponsor's real estate tax consultant, will be allocated to such Units on the basis of 91.1% to the Residential and Storage Units; 8.9% to the Commercial Units; and then to each Residential Unit and Storage Unit on the basis of their Residential Common Interest as set forth in Schedule A. Upon determination of individual tax lots and individual assessments for such Unit, the New York City tax authorities may allocate taxes among the Residential Units and Storage Unit in proportion to each such Unit's percentage interest in the Common Elements or some other basis rather than its relative offering price, and, if so, Units having the same or similar initial offering price may pay different real estate taxes and/or taxes may differ from those set forth on Schedule A. In addition, the New York City tax authorities may assess taxes against the Building in a different manner and in a different amount than that assumed by Sponsor's real estate tax appraiser and, if so, Unit Owners may pay significantly different real estate taxes than those set forth on Schedule A. Sponsor can only estimate, based on reasonable, professional third party expert assumptions, what the real estate taxes for each Unit will be. Only the New York City tax authorities will make this determination upon the filing of tax lots. (See Sections D and S in Part I of the Plan for further discussion.)

16. Closing Fees and Costs

All legal costs, fees and expenses charged by each Purchaser's attorney shall be the sole responsibility of such Purchaser. In addition, each Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Kramer Levin Naftalis & Frankel LLP ("Sponsor's Counsel"), in connection with the closing of title to such Purchaser's Unit: (i) the sum of $1,250 to reimburse Sponsor for a portion of its legal fees incurred in connection with the closing of title to the Purchaser's Unit; (ii) if the Purchaser requests the closing to occur other than at the offices of Sponsor's Counsel (or such other place as Sponsor may designate in its closing notice) and Sponsor consents to such change (in its sole discretion), an attendance fee of $500 for each closing held within Manhattan and $750 for each closing held in any borough outside Manhattan; (iii) if the closing is adjourned through no fault of Sponsor, an additional fee of $600 for each such adjournment to help defray the cost of preparing for and coordinating the new closing; (iv) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Agreement, or for the addition, deletion or substitution of names on the Agreement, a fee of $850, payable in advance, for preparation of an assignment agreement; and (v) if Purchaser obtains mortgage financing, an additional fee of $500 to Sponsor's Counsel to defray the additional costs associated therewith. As of the filing date of this Plan, the State of New York Insurance Department (the "Insurance Department") has interpreted Section 6409(d) of the New York Insurance Law as prohibiting a seller of real property from requiring a purchaser of real property to pay a fee for using a title abstract company/title agent of the purchaser's choice while exempting a purchaser who uses the title abstract company/title agent chosen by the seller from paying such fee. In the event of a change or clarification of, or applicable ruling with respect to, such interpretation permitting the charging of such fee: if Purchaser chooses (or is required by its lender) to obtain title insurance, Purchaser may use any title insurance company it desires, however, if Purchaser shall use an abstract company or title

insurance company other than: (a) Title Associates, Inc. (825 Third Avenue; New York, New York 10022; Attn: Michelle Cruz Bingham; (212) 758-0050), (b) First American Title Insurance Company of New York (633 Third Avenue; New York, New York 10017; Attn: Michael Stoller or Steven Farber; (212) 922-9700), or (c) Fidelity National Title Insurance Company of New York (2 Park Avenue; New York, New York 10016; Attn: Neil Clark; (212) 845-3103) or such other or additional company/ies designated by Sponsor in an amendment to this Plan (any of the foregoing, the "Title Company") and Sponsor incurs any additional legal fees or expenses as a result of such other company's form of title report or clearing the title exceptions, or addressing the requirements, of such other abstract or title insurance company, then Purchaser shall reimburse Sponsor or pay directly to Sponsor's Counsel the amount of such legal fees and expenses so incurred, not to exceed $650 per closing. Purchaser may be required to pay more than one fee with respect to a single Unit pursuant to the preceding provisions of the paragraph. Other additional charges may apply. At Sponsor's option (in its sole discretion), any one or more of the foregoing fees to be paid to Sponsor's Counsel shall be paid by Purchaser prior to closing upon notice to Purchaser. (See Section N in Part I of the Plan for further discussion.)

17. No Warranty

Sponsor shall not be obligated to correct, repair or replace any defects relating to construction of the Units or the Common Elements or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements. The Housing Merchant Implied Warranty Law (General Business Law Article 36-B) is not applicable to this offering. (See Section O in Part I of the Plan for further discussion.)

18. Insurance

The Board is not required to obtain or maintain any insurance with respect to any property contained in any Unit or any liability with respect to occurrences in or about each Unit or the Common Elements, if any, exclusive and/or appurtenant thereto. Consequently, all Unit Owners are required to obtain and maintain comprehensive general public liability insurance against claims for personal injury, death or property damage occurring in, on or about such Unit Owner's Unit and the Common Elements, if any, exclusive and/or appurtenant to his or her Unit affording protection of at least $1,000,000 per occurrence, plus at least $3,000,000 umbrella liability coverage. Further requirements with respect to such insurance are more particularly set forth in the By-Laws. In addition, all Residential Unit Owners are urged to obtain casualty insurance with respect to the fixtures, furniture, furnishings and other personal property located within their respective Units. Purchasers are also advised that the insurance policies to be maintained by or on behalf of the Board will be on a "replacement cost" basis and will not cover losses to the extent that "market value" of a Unit may exceed its insured replacement cost. Further, as a result of current fluctuations in the insurance market, the Board will not be required to obtain or maintain terrorism coverage but may do so, and in such event, the cost thereof shall be a Common Expense as described in the By-Laws. (See Section R in Part I of the Plan for further discussion.)

19. Floor Area

As described in the Notes to Schedule A below, the approximate square foot area of each Unit is measured horizontally on each floor from the exterior side of the glass or the exterior walls, at the Building line and/or Property line to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the midpoint of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements. Columns and mechanical pipes (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Units. Measured vertically, each Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab above. Any Common Elements located within or appurtenant to any Unit shall not be considered as part of that Unit. The square foot areas determined using the methodology set forth above, as shown in Schedule A in Part I of the Plan, would be different from that derived by using an alternative methodology of measuring from interior surfaces to interior surfaces (which would yield lesser actual useable floor area for each Unit). The stated method of measurement used is applicable to all Units. The room count for each Residential Unit was determined by Sponsor's architect in accordance with industry practice for new construction condominiums and does not necessarily conform to the zoning room count or the method utilized by the Real Estate Board of New York.

20. Waiver of Diplomatic or Sovereign Immunity

Purchasers will be required to waive expressly any and all immunity from suit by Sponsor and/or the Board. In addition, any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) will be required at the time of closing of title to such Purchaser's Unit, to deposit with the Board an amount equal to two years' estimated Common Charges. (See Sections J and N in Part I of the Plan for further discussion.)

21. Partial Exemption from Real Estate Taxes

Sponsor will apply for a partial exemption from real estate taxes attributable to Residential Units pursuant to section 421-a of the New York Real Property Tax Law ("Section 421-a"). There can be no assurance that such exemption will be granted. Such exemption, if granted, will be for a limited period of 10 years, and will decrease progressively during such period. However, if for any reason, the aforementioned exemption is not granted, the Residential Units will be subject to full taxation and will receive no partial exemption from real estate taxes. Purchasers will have no right to rescind their Agreements in such event, will continue to be obligated to pay the full purchase price without any offset or credit and will have no claim against Sponsor by reason of the same.

22. Certificate of Occupancy

If, as of the First Closing, only a temporary Certificate of Occupancy has been issued for the Building, Sponsor will use all reasonable diligence to cause the New York City Department of Buildings to continuously renew the temporary Certificate of Occupancy until a

permanent Certificate of Occupancy for all of the Units has been issued. Sponsor will, at its sole expense, do and perform, or cause to be done and performed, all such work (subject to events and circumstances beyond Sponsor's reasonable control, e.g., casualty, strikes, governmental restrictions, acts of god, etc.), and will supply, or cause to be supplied, all such materials, and will submit or cause to be submitted all such documentation, and shall pay all applicable fees required by the New York City Department of Buildings that shall be necessary in order to cause the temporary Certificate of Occupancy to be continuously renewed until a permanent Certificate of Occupancy for the Building has been issued, as well as to obtain any requisite certificates or permits relative to the electrical work, plumbing, heating and air-conditioning facilities and elevators at the Building. Prospective Purchasers are advised that permanent Certificates of Occupancy are required for permanent use of the Building, and that a temporary Certificate of Occupancy may be renewed only for a total of two years from the first date of issuance. Sponsor projects, but cannot assure, that a permanent Certificate of Occupancy for the Building will be obtained within two years after the First Closing.

23. Balconies/Terraces

Other than the Fifth Avenue Club terrace and the residents' courtyard within the Plaza (which are for the common use of all Residential Unit Owners), Balconies and Terraces are appurtenant to certain Residential Units, as identified in Schedule A and the Floor Plans set forth in Part II of the Plan. The Balconies and Terraces are Residential Limited Common Elements available for the exclusive use of the Residential Unit Owner of the Residential Unit to which such balcony or terrace, as the case may be, is appurtenant, subject to and in accordance with the Declaration, By-Laws and Rules and Regulations as in effect from time to time. Each Residential Unit Owner shall be responsible for all ordinary maintenance and cleaning of each balcony or terrace appurtenant to its Unit; however, the costs and expenses of any repairs or replacements, structural or otherwise (unless caused by or attributable to the Residential Unit Owner), shall be charged to all Residential Unit Owners as a Common Expense. (See Section B in Part I of the Plan for further discussion.)

24. Reservation of Air/Development Rights

Sponsor has retained and expressly reserves all excess air or developmental rights (collectively, the "Air Rights") otherwise appurtenant to the Property and not used in connection with the original construction of the Building as described in this Plan. As a result, unless Air Rights are separately acquired therefor on behalf of the Condominium or a Unit Owner, as the case may be, any future expansion of the Building by the board of managers or of a Unit by any Unit Owner as may otherwise be permitted pursuant to any applicable laws and otherwise, may not be possible or may be limited. Further, as a result of such reservation by Sponsor, Sponsor may transfer or sell such Air Rights to the owner(s) of adjoining properties and in such case such properties may be increased in size as a result of such transfer or sale

The Air Rights reserved by Sponsor will not be used to add additional floors to the top of the Building. Except in the case of a sale or transfer for use in connection with other properties (in which event, if the sale is to an adjoining property, buildings built thereon may be higher than otherwise permitted and may block certain views), the reserved Air Rights will be used in the Property solely for the purpose of reconfiguring certain areas (e.g., adding mezzanine

space, converting mechanical space to space used for other purposes) which, pursuant to the applicable provision of the Zoning Resolution, will require the use of Air Right in excess of those used in connection with the initial construction of the Building in accordance with the Plan. In addition, Sponsor has no plans at this time to utilize or transfer any such excess Air Rights. (See Section O ("Rights and Obligations of Sponsor") in Part I of the Plan for further discussion.).

25. Lot Line Windows

Prospective Purchasers are advised that certain windows in any Residential Units that are less than 30 feet from the northern lot lines of the Property may have to be reduced in size or closed if an adjacent building is hereafter altered, or if a new building is hereafter erected on the site of the such building. The windows which may be within said distance limitation and which may have to be closed are indicated on the Floor Plans which are a part of Exhibit 6 in Part II of the Plan. In the event any of such lot line windows must be reduced in size or closed, the owner of the affected Unit shall solely bear the costs relating to such reduction or closure, which, as of the date hereof, Sponsor estimates to be $1,500 per window. (See Section R in Part I of the Plan for further discussion.).

26. Parking

It is currently anticipated that Commercial Unit 2 will initially be operated as a parking garage facility with an entrance ramp on East 33rd Street. While Sponsor may own such Unit, to the extent it is leased to a garage operator, the operator of the facility will determine and collect fees based upon rates to be set solely by such operator (subject to any applicable laws) and will establish such rules and regulations governing the availability and priority of spaces and the general operation of the garage as such operator may deem appropriate. Sponsor makes no representation whatsoever regarding the rates to be charged to Unit Owners or the availability of such parking spaces on a monthly, reserved or any other basis. In addition, even to the extent available, no representation is made with respect to the expected date of completion or opening of such facility and as a result, parking may not be available at and for a period of time following the closing of title to any Unit.

27. Increase or Decrease in Common Interest

The Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act and accordingly based upon a comparison of the 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. Based upon final specifications, construction conditions and/or "as-built" plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in the aggregate Common Interest appurtenant to the Residential Units and/or Storage Units and a corresponding decrease or increase in the Common Interest appurtenant to the Commercial Units. In such event, the Common Interest appurtenant to each individual Residential Unit and/or Storage Unit, as the case may be, would be adjusted (by a minimal amount) pro rata.

Sponsor expressly reserves the right, from time to time prior to the First Closing, to effect such a change in the Common Interests and to amend the Plan so as to reflect the same. In no event, however, will the Common Interest of any Residential Unit or Storage Unit be increased as a result of any of the foregoing by more than 5%.

28. Window Washing

The Building does not feature a window washing rig and accordingly the washing and cleaning of the interior and exterior glass surfaces of all windows in the Residential Units shall be the responsibility of the respective Residential Unit Owners. All window interiors shall be cleaned a minimum of two times per calendar year. The Board may from time to time enforce the responsibility of Unit Owners to wash and clean the interior and exterior surfaces of windows located in their respective Units and charge the defaulting Residential Unit Owner therefor. Residential Unit Owners are prohibited from cleaning or allowing to be cleaned any window from the outside in violation of Section 202 of the New York State Labor Law (which requires certain safety measures to be provided for the protection of the public and window washers where windows are washed from the outside), any other applicable Legal Requirements, any insurance policy or requirement or otherwise.

29. The Plaza

The site plan of the Property includes a public plaza area (the "Plaza") which will be located immediately to the east of the Building. The Plaza's design, amenities, and landscaping are required to conform substantially to plans that were approved by the City Planning Commission on September 7, 2004 and are attached to a Notice of Certification recorded in the Office of the City Register of the County of New York on September 17, 2004 (the "Plaza Plans") as CRFN 200400584335. A copy of the Plaza Plans are included in this Offering Plan as Exhibit 11 in Part II. Purchasers are advised that the Plaza is required to be open to the public between the hours of 8 AM and 8 PM daily. The Plaza may be closed between the hours of 8 PM and 8 AM in substantial conformance with the approved Plaza Plans. Pursuant to the Notice of Certification, the Condominium will be responsible to maintain the Plaza on an ongoing basis. The cost of such maintenance shall be a General Common Expense allocated among all the Unit owners on the basis of Common Interest.

30. Floor Numbering

As shown on the Floor Plans on file at Sponsor's office, the floors of the Building are designated as S2 and S1 (below grade), Ground Floor (at grade) and Mezzanine, Club, 8 through 45 (with no 13th floor), PH46 and PH47 (above grade). All floor references in this Plan to particular floors ("Floors") of the Building are in accordance with such floor designations. Because: (a) many floors in the Building have floor to ceiling heights which are greater than those of typical residential buildings; and (b) there is no 13th floor, the 41st construction level is referred to as Floor PH47 based upon such floor of the Building being approximately 459'-3" above street level; and the 47th floor of a typical residential condominium building having 9'-6" floor to floor heights (and no 13th floor) being approximately 437'-0" above street level. All other occupied floors of the Building (other than the Ground Floor, Mezzanine and Club) were designated in descending order through Floor 8 (which corresponds to the 4th construction

level). As a result, the elevation of such Floors may not correspond to similarly designated floors in a typical residential building and Sponsor makes no representation whatsoever with respect thereto. Floor numbering in the plans for the Building filed with the New York City Department of Buildings includes references to construction levels which are not based on the actual height of the floor and therefore differ in that respect from the Floor designations of the Building as set forth above. See Section A in Part I of the Plan.

31. Additional Storage Units

Sponsor reserves the right to change the number and size of the Commercial Units and Storage Units by, among other things, subdividing and reconfiguring the Commercial Units and/or the Storage Units and, in connection with such subdivision and reconfiguration, redesignating in an amendment to the Declaration a portion of a subdivided Commercial Unit as a Residential Unit or Storage Unit space. In such event, the Common Interest appurtenant to any diminished Commercial Unit will decrease and such reduced Common Interest will be allocated to and/or among the newly created and/or configured Storage Units. Sponsor expressly reserves the right, from time to time prior to the First Closing, to effect such changes and to amend the Plan so as to reflect the same.

32. Easement on Roof of Building as to Communications Equipment

The owner of Commercial Unit 1 and/or its designee (and their respective successors and assigns) shall have an easement for the purpose of erecting, using, leasing, licensing, maintaining, repairing, replacing and operating antennae, satellite dishes and other communications equipment on the roof of the Building (which is otherwise a Common Element). The Residential Unit Owners will not have any interest in the rents, profits or revenues from the rental, use or sale of any such space pursuant to the aforementioned easements and rights. The owner of the Commercial Unit 1 shall have the right to create additional Commercial Units consisting of portions of the Commercial Unit, each of which shall have as an appurtenant easement Commercial Unit 1 to use a portion of the Commercial Unit platform and other facilities on the roof of the Building, upon which such additional Commercial Unit Owner (or its tenant or licensee) may erect, use, lease, license, maintain, repair, replace and operate antennae, satellite dishes and other telecommunications equipment. If such additional Units are created, the percentage interest in the Common Elements allocated to the Commercial Unit and the percentage interests of all other Units will remain unchanged. As of the date hereof, to Sponsor's knowledge, particular installations pursuant to the aforementioned rights and easements have been planned. Any such installations erected in the future shall be made only in the areas reserved therefor as shown on the "Roof Plan" included in Floor Plans reproduced as Exhibit 6 in Part II of the Plan. See also Section G in Part I of Plan.

PART I

A. INTRODUCTION

Continental Residential Holdings, LLC, a limited liability company organized and existing under the Law of the State of New York ("Sponsor"), hereby presents this Offering Plan (the "Plan") for the establishment of condominium ownership of the land, Building and appurtenances thereto, situated on the east side of Fifth Avenue between East 32nd Street and East 33rd Street and known by the street address 321-329 Fifth Avenue, New York, New York 10016. The condominium will be known as the "325 Fifth Avenue Condominium" and is herein called the "Condominium."

The purpose of the Plan is to set forth in detail all material terms of the offering by Sponsor of the Residential Units and Storage Units located in the Condominium and offered hereby.* Sponsor may amend the Plan from time to time by filing an amendment with the New York State Department of Law ("Department of Law"), a copy of which amendment will be served on all purchasers of Units pursuant to executed Agreements who are not in default, and to all Residential and/or Storage Unit Owners and any other Offerees as may be required by applicable law or regulation.

The Plan is presented in two parts (in one volume) which together constitute the entire Plan. Part I of the Plan sets forth a general description of the offering and the rights and obligations of Sponsor and the Unit Owners. Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed physical description of the Property and certifications by Sponsor, Sponsor's architect and Sponsor's financial experts. In addition to the Plan, Sponsor has filed separately with the Department of Law certain exhibits to the Plan which are presented as Parts A (Certifications), B (General), C (Engineering) and D (Other Information).

The Plan, including all Schedules set forth herein, and Parts A, B, C and D of the exhibits, together constitute the entire offer of Sponsor to sell the Residential Units and Storage Units at the Condominium which are the subject of this Plan. Sponsor shall not make, and has not authorized any other party to make, any oral representations or statements concerning this Plan, and no such representations or statements shall be considered part of this Plan. No information, data or representations other than those contained herein or in the documents annexed hereto as exhibits in Part II of this Plan may be relied upon. Copies of the Plan and the exhibits will be available for inspection by prospective Purchasers without charge, and for copying at a reasonable charge, at the Condominium's Sales Center by appointment.

The Condominium will be organized pursuant to Article 9-B of the Real Property Law of the State of New York, as amended, commonly known as and hereinafter referred to as

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* Each capitalized term used in Part I of the Plan shall have the meaning ascribed thereto in the section of the Plan entitled "Certain Definitions", unless otherwise clearly indicated or defined elsewhere.

the "Condominium Act." The Condominium is subject to and will comply with all statutes and regulations applicable to condominiums in the State of New York.

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

1. The Property

Sponsor acquired the Land, an approximately 22,618 square foot parcel, and the existing improvements located at 321-329 Fifth Avenue, New York, New York, on August 16, 2004. Sponsor intends to demolish such improvements in order to allow for the construction of a new building (the "Building") which, as more specifically described herein, upon completion of construction, will constitute the Condominium and include:

(a) 250 residential apartments (the "Residential Units") located on Floors 8 through PH47,* together with the entrance and lobby on the ground floor and certain other Common Elements, will be operated as a luxury condominium apartment building;

(b) 105 Storage Units, located on Floor S2 (subject to the Sponsor's right to create and offer hereunder, pursuant to a duly filed amendment, additional Storage Units);

(c) Commercial Unit 1, located on the Ground Floor and Floor S1, which Sponsor currently anticipates will be operated as one or more retail stores;

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* As shown on the Floor Plans on file at Sponsor's office, the floors of the Building are designated as S2 and S1 (below grade), Ground Floor (at grade) and Mezzanine, Club, 8 through 45 (with no 13th floor), PH46 and PH47 (above grade). All floor references in this Plan to particular floors ("Floors") of the Building are in accordance with such floor designations. Because: (a) many floors in the Building have floor to ceiling heights which are greater than those of typical residential buildings; and (b) there is no 13th floor, the 41st construction level is referred to as Floor PH47 based upon such floor of the Building being approximately 459'-3" above street level; and the 47th floor of a typical residential condominium building having 9'-6" floor to floor heights (and no 13th floor) being approximately 437'-0" above street level. All other occupied floors of the Building (other than the Ground Floor, Mezzanine and Club) were designated in descending order through Floor 8 (which corresponds to the 4th construction level). As a result, the elevation of such Floors may not correspond to similarly designated floors in a typical residential building and Sponsor makes no representation whatsoever with respect thereto. Floor numbering in the plans for the Building filed with the New York City Department of Buildings includes references to construction levels which are not based on the actual height of the floor and therefore differ in that respect from the Floor designations of the Building as set forth above.

(d) Commercial Unit 2, located on the Ground Floor and Floors S1 and S2, which Sponsor currently anticipates will be operated as a parking garage facility with an entrance ramp on East 33rd Street;

(e) Facilities currently anticipated to include a pool, health club, club room, screening room, business center, children's playroom, spa center and covered balcony located on the Club Floor and a handicapped accessible washer/dryer located on Floor S1, in each case, for use solely by occupants of Residential Units; and Plaza area (including a residents' courtyard) and a bicycle storage room on the Ground Floor; and

(f) various utility and service areas located throughout the Building.

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, governmental restrictions, acts of god or other events beyond its reasonable control, construction of the Building will be sufficiently completed to permit closings of title to Residential Units to begin in or about September 2006. Prospective Purchasers should note, however, that the Residential Units will be completed at differing times over a period that may begin prior to and/or extend significantly beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Residential Unit or otherwise be relieved from any obligations under the Agreement, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Residential Unit is accelerated, delayed or postponed by Sponsor, provided, however, that in the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections and if: (i) the amended budget exceeds the projected budget set forth herein by 25% or more; or (ii) the First Closing does not occur within 12 months after September 2006, the date set forth in Schedule B as the commencement date for the projected First Year of Condominium Operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements within not less than 15 days after the presentation date of the amendment containing such revised budget or after such 12-month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Deposit and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. As set forth in the Section of this Plan entitled "Effective Date," no closing of title to any Unit will take place prior to the Plan being declared effective.

As set forth in more detail in the Section entitled "Changes in Prices and Units" in Part I of the Plan, Sponsor reserves the right to change the number of Units from time to time by subdividing and/or combining Units, even after the Condominium is created, except with respect to a Unit as to which a binding Agreement has been entered into and remains in effect unless the Purchaser thereof consents in writing to such change.

Sponsor further reserves the right to change the number of Units by, among other things, subdividing and reconfiguring the Commercial Units and, in connection with such subdivision and reconfiguration, redesignating in an amendment to the Declaration a portion of a subdivided Commercial Unit as a Residential Unit or Storage Unit space as further described in this Plan.

A detailed description of the Property is contained in the Section entitled "Description of the Property and Improvements" in Part I, Section B of the Plan.

2. Features of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home. Each Unit Owner is the fee owner of his or her Unit. Each such Unit Owner also owns, in common with the owners of all other Units, an undivided interest in the Common Elements, which, as more particularly set forth herein and in the Declaration, include all parts of the Property other than the Units themselves, including, without limitation, the Land and the roofs, foundations and supports of the Building, and all areas, equipment or facilities for the common use of two or more Units or two or more Unit Owners.

Use and occupancy of all Units is governed by the Declaration and the By-Laws of the Condominium, the provisions of this Plan and applicable Legal Requirements.

As more particularly set forth in the By-Laws, a Residential Unit may generally be used only as a residence and, subject to compliance with the By-Laws and applicable laws, for a lawful home occupation. Except as otherwise set forth in this Plan, Storage Units may be used only for storage, the owner or lessee of any such Storage Unit must also at all times be (if the owner of such Storage Unit) the owner, or (if the lessee of such Storage Unit) the lessee or owner, of a Residential Unit. The Commercial Units (not offered hereby) may be used for any lawful purpose, including, without limitation, for retail, restaurant, banking, commercial, office, storage, garage and utility purposes. The Board will have no right to restrict or limit any of the uses of, or alterations in or to, the Commercial Units (including the storefronts thereof) which are permitted by law and applicable zoning ordinances, except as otherwise set forth in the By-Laws and Declaration. It is currently anticipated that Commercial Unit 1 will initially be used for retail purposes (and ancillary uses) and that Commercial Unit 2 will initially be used as a parking garage (and ancillary uses), although no representation or warranty is made with respect to such initial or any subsequent uses of such Commercial Units or with respect to who the owner or tenant(s) of the Commercial Units may be at any time. No income derived from any use of the Commercial Units will constitute income to the Board or the Residential Unit Owners. (See Part I, Section G for further discussion.)

With certain exceptions, any sale or lease of a Residential Unit will be subject to a right by the Board to acquire or lease such Residential Unit, as the case may be, on the same terms as were offered by the Residential Unit Owner to the potential purchaser or lessee thereof. This right of first refusal in favor of the Board is not applicable to a sale or lease of the Unsold Units or Unsold Storage Units. It is also not applicable to the sale of a Storage Unit or a Commercial Unit. For a more complete discussion of the foregoing, see Section R entitled "Rights and Obligations of Unit Owners and the Board" in Part I of the Plan.

There is no limit on the number of Unit Owners who may purchase a Unit for investment, rather than personal occupancy, purposes. As such there may always be a substantial percentage of Unit Owners who are non-residents of the Condominium.

Each Unit Owner must pay Common Charges to cover the costs of operation and maintenance of the Condominium in accordance with Sections 339(i)(1)(iv) and 339(m) of the New York Condominium Act. The costs of operation and maintenance of the Condominium, including both those directly attributable to the Units and an allocated share of expenses attributable to the Condominium as a whole (such as expenses for insurance, repairs and maintenance of the Common Elements and various service contracts), will generally be borne by the Unit Owners in proportion to their respective Common Interests. The Commercial Unit Owners, who will receive in certain instances greater or fewer services from the Condominium, will bear a properly allocated share of the expenses of the Condominium, all as described in Schedules A and B of the Plan and Article 6 of the By-Laws. The estimated Common Charges for each Unit for the projected First Year of Condominium Operation are set forth in Schedule A.

Operation of the Condominium will be vested in the Board which will be elected by the Unit Owners and/or designated by Sponsor as described in the Plan and the By-Laws. As more particularly set forth in the By-Laws, the Board will determine the amounts of Common Expenses, the allocation of Common Expenses among the Residential Units, Commercial Units and Storage Units, and will assess Unit Owners for Common Charges accordingly.

Residential Unit Owners may decorate the interior of their Residential Units in any way that they desire, subject to compliance with the By-Laws, the Rules and Regulations and applicable Legal Requirements and will be responsible for maintaining, repairing and painting their Residential Units and for complying with Legal Requirements applicable to their Residential Units, all at their own expense.

As set forth in the Rules and Regulations to the By-Laws, to promote a consistent appearance of the Building from the outside, any window treatments or shades installed and maintained in any Residential Unit must have a neutral-colored backing on the sides facing the windows in its Unit, which window treatments and backings must conform to any specifications (including a new color) established from time to time by the Board.

Residential Unit Owners must obtain the consent of the Board before altering their Residential Units in any way, subject to the further applicable provisions of the By-Laws. There are no limitations or restrictions upon the rights of the Commercial Unit Owners to decorate or alter their Units except those imposed by applicable Legal Requirements or as expressly provided in the Declaration and/or By-Laws.

Each Unit Owner may mortgage his or her Unit with such lender and in such amount as he or she chooses, provided only that the Unit Owner satisfies all unpaid liens (other than any other permitted mortgages) against his or her Unit prior to making such mortgage. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

After The City of New York assesses as a separate tax lot each Unit and bills each Unit Owner, the Unit Owner will be responsible for paying the real estate taxes and assessments imposed against such Unit, and no Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to any lien arising from the non-payment of, taxes and assessments imposed on other Units.

In the opinion of Kramer Levin Naftalis & Frankel LLP, Sponsor's Counsel, an individual Residential Unit Owner who utilizes his or her Residential Unit as his or her primary or secondary residence, and who itemizes deductions generally may, under the income tax laws and regulations in effect as of the date of this Plan, subject to certain limitations, deduct from his or her income for Federal, New York State and New York City income tax purposes:

(a) the annual real estate taxes assessed against his or her Residential Unit and paid or incurred by such Residential Unit Owner; and

(b) the annual interest paid or incurred by such Residential Unit Owner on mortgage indebtedness incurred to acquire or substantially improve his or her Residential Unit.

Prospective Purchasers should refer to the Section entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of Condominium" in Section U below, as well as to Sponsor's Counsel's Income Tax Opinion reproduced in the Section V below for a more complete discussion.

The Board will be responsible for maintaining casualty and liability insurance (excluding terrorism and mold coverage), with respect to the entire Building (including each Unit but excluding fixtures, furniture, furnishings, decorations, appliances and other personal property not constituting part of the Unit), together with all service machinery contained therein, in accordance with the provisions of the By-Laws. See the Section entitled "Rights and Obligations of the Unit Owners and the Board of Managers" in Part I, Section R for a more complete discussion. The Board is not required to obtain or maintain any insurance with respect to any property contained in any Unit or any liability with respect to occurrences in or about each Unit or the Common Elements appurtenant thereto. Consequently, all Residential Unit Owners are required to obtain and maintain comprehensive general public liability insurance against claims for personal injury, death or property damage occurring in, on or about such Unit Owner's Unit and the Common Elements, if any, exclusive to his or her Unit. In addition, all Residential Unit Owners are urged to obtain casualty insurance with respect to the fixtures, furniture, furnishings and other personal property located within their respective Units. Purchasers are also advised that the insurance policies to be maintained by or on behalf of the Board will be on a "replacement cost" and will not cover losses to the extent that "market value" of a Unit may exceed its insured replacement cost. Further, as a result of current fluctuations in the insurance market, the Board will not be required to obtain or maintain terrorism or mold coverage but may do so, and in such event, the cost thereof shall be a Common Expense as described in the By-Laws.

3. Offering of Units for Sale

Sponsor hereby offers the 250 Residential Units and 105 Storage Units for sale under the Plan. (The Unit which is anticipated to serve as the Resident Manager's Unit is included in the offering hereunder but, as described in Schedule B, Note 14, such Unit will be purchased by the Board.) The Commercial Units are not being offered for sale hereunder at this time. No representation or warranty is made as to who the owner or tenant(s) of the Commercial Units may be at any time or the uses to which such Units may be put at any time; and no income derived from any use of the Commercial Units will constitute income to the Board or the Residential Unit Owners.

There are no limitations on who may purchase such offered Units except that Storage Units may only be purchased by Residential Unit Owners and may thereafter be owned by Residential Unit Owners. (See Section 6.10 of the By-Laws for further provisions with respect to the ownership and use of the Storage Units.) However, Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of the Board, any Unit Owner or mortgagee, to refuse to approve and execute an Agreement for any Unit; provided, however, that Sponsor shall not discriminate against any person because of race, creed, color, gender, sexual orientation, disability, age, marital status or national origin, or as otherwise prohibited by applicable Legal Requirements.

The prices for the Units offered under the Plan are listed on Schedule A, entitled "Schedule of Purchase Prices and Other Financial Details for September 1, 2006 to August 31, 2007, the Projected First Year of Condominium Operation." THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Sponsor will endeavor in good faith to sell, but nevertheless reserves the unconditional right, to rent or lease, rather than sell, the Units offered hereunder. As a result, Purchaser may be acquiring a Unit that has been previously occupied, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at closing free and clear of all leases and tenancies. In addition, , there is no commitment to sell more Units than the 15 percent of Units necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the condominium.

In the event Sponsor makes a bulk sale of the Units, the transferee is entitled to and bound by those additional rights and obligations (including the aforementioned representation regarding good faith efforts to sell the Units) applicable to a "sponsor" as more fully described in the Plan.

The estimated Common Charges for each Unit for the projected First Year of Condominium Operation are also set forth in said Schedule A. In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against such Unit (although the By-Laws provide for a limited period of time following the recording of the Declaration when the Units may not be separately assessed), and interest and amortization payments on the mortgage, if any, which such Purchaser may obtain. Further, Unit Owners may be responsible for additional charges for services which

they choose to use at their option. (See the Section entitled "Available Services and Facilities" in Part I, Section B).

Schedule A sets forth the estimate for the amount of real estate taxes which will be payable with respect to each Unit during the fiscal tax year from September 1, 2006 to August 31, 2007. See Note [7] to Schedule A hereof with respect to the basis of such estimate.

The Units include a Residential Unit, currently anticipated to be Residential Unit 9A, which is to be occupied by the Resident Manager of the Building. This Unit will be purchased by the Board on behalf of the Unit Owners at or after the First Closing for a price of $1,175,000, payable by a promissory note, which note will be secured by a mortgage on Residential Unit 9A. The forms of the note and the mortgage are set forth in Part II of this Plan. The payments to be made to Sponsor under the note will be included in the Common Charges payable by Unit Owners, and each Unit Owner will be individually liable therefor to the extent of his or her percentage of Common Interest. (See Note 14 to "Schedule B -- Projected Budget for the First Year of Condominium Operation" for further details.)

Sponsor hereby expressly reserves any air rights or transferable development rights benefitting the Property. (See Section O, Part I of the Plan for further discussion.)

4. Certain Definitions

For convenience, general definitions of certain of the terms used in Part I of the Plan are set forth below, which definitions are subject, in many cases, to the more particular definitions of such terms set forth in the Declaration and By-Laws included in Part II of the Plan.

Agreement: The option agreement to purchase a Unit pursuant to the Plan, the form of which is set forth as Exhibit 1 in Part II of the Plan.

Balcony: Any of the balconies appurtenant to a Residential Unit as shown on the Floor Plans. Unlike the terraces, the balconies will not be served by any utilities.

Board: The board of managers of the Condominium, also sometimes referred to as the "Condominium Board."

Building: The new building and other improvements to be located on the Land and commonly known as 321-329 Fifth Avenue, New York, New York.

By-Laws: The by-laws governing the operation of the Condominium, the form of which is set forth in Part II of the Plan, including the Rules and Regulations.

City Register's Office: The New York County office of the Register of The City of New York.

Commercial Unit: Any Unit designated in the Declaration as a Commercial Unit (initially, Commercial Unit 1 and Commercial Unit 2), as the same may be subdivided or combined in accordance with the Declaration and/or By-Laws. All or any of such Units are collectively referred to as the "Commercial Units."

Commercial Unit Owner: An owner of any Commercial Unit at the time in question.

Common Charges: Assessments payable to the Board by Unit Owners for the purpose of meeting Common Expenses. Generally, Residential and Storage Unit Owners will pay Common Charges based on their proportionate share (among all Residential and Storage Unit Owners) of Common Expenses. Common Charges payable by Commercial Unit Owners will be based on their allocated share of those Common Expenses incurred by the Board in furnishing services to, or in operating, maintaining and repairing those Common Elements that are used by the Commercial Unit Owners, in accordance with the provisions of the By-Laws.

Common Elements: The entire property, including the Land and all parts of the Building and other improvements thereon, other than the Units. The Common Elements include, among other things, the foundations, roofs and supports of the Building and all areas, equipment or facilities for the common use of all or some of the Units or all or some of the Unit Owners. The Common Elements include the General Common Elements and Residential Limited Common Elements.

Common Expenses: The costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements and the provision of services to Unit Owners.

Common Interest: The proportionate undivided interest in fee simple absolute in the Common Elements appertaining to each Unit, expressed as a numerical percentage and determined in accordance with the Declaration. The total Common Interest appertaining to all Units equals 100%. As described more fully in the By-Laws, generally, the Common Interest is the basis of determining, among other things, a Unit Owner's voting power and general liability for a share of the Common Expenses.

Condominium: 325 Fifth Avenue Condominium.

CPI Increase Factor: An increase proportionate to any increase in the cost of living from the date of the initial recording of the Declaration, as reflected by the change in the Consumer Price Index (CPI-U; All Items; 1982-84 = 100 standard reference base period) for New York, New York (or the smallest measured area including New York, New York), as published by the Bureau of Labor Statistics, Residential United States Department of Labor or, if the same ceases to be published, a commonly used substitute therefor reasonably selected by the Board.

Declaration: The instrument creating the Condominium, the form of which is set forth in Part II of the Plan as Exhibit 7.

Department of Buildings: The Department of Buildings of The City of New York.

First Closing: The first date upon which title to any Residential Unit is conveyed to a Purchaser under the Plan.

First Year of Condominium Operation. The 12-month period commencing on the date of the First Closing, currently anticipated to be the period from September 1, 2006 to August 31, 2007.

Floor Plans: The floor plans of the Building which will be filed with, and approved by, the Real Property Assessment Bureau of The City of New York and the City Register's Office at the time the Declaration is recorded. The Floor Plans will show the locations of the Units and the Common Elements in the Building.

General Common Elements: All of the Common Elements which are not Residential Limited Common Elements, as more particularly described in the Declaration and as shown on the Floor Plans for the Building.

Initial Control Period: The period ending upon the later to occur of: (a) the fifth anniversary of the First Closing; or (b) the closing of title to Units representing more than 75%, both in number and in aggregate Common Interests, of all Residential Units.

Land: The land situated on the east side of Fifth Avenue, New York, New York, comprising the parcel commonly known as 321-329 Fifth Avenue, as further and more particularly described in the Declaration.

Legal Requirements: All laws, statutes and ordinances (including, without limitation, environmental laws, and all building codes and zoning ordinances) and the orders, rules, regulations, directives, binding resolutions and requirements of all governmental authorities (including, without limitation, the New York City Department of Buildings, the City Planning Commission, the boards of fire underwriters or any public authority or agency having jurisdiction), whether in force as of the date hereof or hereafter, which are or become, or purport to be, applicable to the Property or any part thereof, all as more fully provided in the By-Laws.

Managing Agent: It is anticipated that the managing agent of the Condominium will initially be Cooper Square Realty, Inc., a management firm engaged in the management of luxury residential buildings in New York City, pursuant to a management agreement, as more fully discussed in "Management Agreement" in Part I, Section X of this Plan.

Offeree: A Purchaser who has executed and delivered an Agreement to Sponsor or Selling Agent and whose Agreement is in effect, and a Unit Owner.

Permitted Encumbrances: Those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly itemized on Schedule A annexed to the form of Agreement.

Permitted Mortgage: A mortgage of a Unit or Units permitted to be placed thereon pursuant to the provisions of the By-Laws.

Plans and Specifications: The plans and specifications for the construction of the Building which (to the extent required by applicable Legal Requirements) have been or will be filed with the Department of Buildings and which may, from time to time, hereafter be amended in accordance with the provisions of the Plan.

Property: The Land, the Building and the appurtenances thereto, including, without limitation, all Common Elements.

Purchaser: A purchaser of one or more of the Units offered hereunder pursuant to an Agreement.

Residential Limited Common Elements: Those Common Elements which serve or benefit exclusively all or a combination of the Residential Units (or Storage Units) or the Residential Unit Owners (or Storage Unit Owners) as more particularly described in the Declaration.

Residential Unit: Any Unit designated as a Residential Unit in the Declaration, and all such Residential Units, are, collectively, referred to as the "Residential Units."

Residential Unit Owner: An owner of any Residential Unit at the time in question.

Rules and Regulations: The rules and regulations of the Condominium made in accordance with the By-Laws and attached thereto as Schedule A, as the same may be amended from time to time in accordance with the applicable provisions of the By-Laws.

Sales Center: The sales office for the Condominium, at a location to be designated by the Selling Agent from time to time. The Sales Center will initially be located at 276 Fifth Avenue, New York, New York 10016.

Selling Agent: Cantor & Pecorella, Inc. having an address at 54 Greene Street, New York, New York 10013.

Sponsor; Sponsor or its designee; or similar phrases: Sponsor, any affiliate of Sponsor or a designee of Sponsor. An affiliate of Sponsor shall be deemed to be (i) a person or entity who or which owns 25% or more of the legal or beneficial interest of Sponsor or (ii) an entity with respect to which Sponsor owns 25% or more of the legal or beneficial interest.

Sponsor's Office: The office of Sponsor located at c/o Douglaston Development, 42-06 235th Street, Douglaston, New York 11363 or any other office regularly maintained by Sponsor in the City of New York.

Storage Unit: Any Unit designated as a Storage Unit in the Declaration including any such Unit so designated in an amendment to the Declaration in connection with the subdivision of a Commercial Unit and the redesignation and reconfiguration of a portion thereof as newly created Storage Units as described in this Plan, and all such Storage Units, are, collectively, referred to as the "Storage Units."

Terrace: Any of the terraces appurtenant to a Residential Unit as shown on the Floor Plans. Each terraces will be equipped with a light and water and electrical service.

Unit: Any space designated as a Residential Unit, Storage Unit or Commercial Unit in the Declaration, consisting, generally, of the relevant condominium unit in the Building

and an appurtenant undivided interest in the Common Elements and, with respect to the Residential Units, the Residential Limited Common Elements. All or any of such Units are collectively referred to as the "Units."

Unit Owner or Owner: The owner of a Unit at the time in question.

Unsold Residential Units; Unsold Storage Units; Unsold Units: Any of the Residential Units or Storage Units owned by Sponsor or its designee, other than any such Residential Unit or Storage Unit purchased by and for the use of Sponsor or its designee. All or any of such Units are collectively referred to as the "Unsold Units."

Zoning Resolution: Zoning Resolution of The City of New York, effective as of December 15, 1961, as the same has been and hereafter may be amended 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 meanings ascribed thereto in the By-Laws or in the Declaration, as the case may be. Unless the context otherwise requires, words used in the singular include the plural and vice versa, and a reference herein to any one gender, masculine, feminine or neuter, includes the other two.

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B. DESCRIPTION OF THE PROPERTY AND IMPROVEMENTS

The following is a general description of the Property, including the Land, Building, Units and Common Elements, as well as certain facilities and services anticipated to be provided at the Condominium. For a more detailed physical description of the Property, see "Description of Property and Specifications" in Part II of the Plan.

1. The Building

The Building is located on the Land, situated on the east side of Fifth Avenue in New York, New York between East 32nd Street and East 33rd Street. The Land has a frontage of approximately 134.5 feet on Fifth Avenue and consists of Block 862, Lots 3, 4, 73 and former Lot 8 (an alleyway) on the Tax Map of the Borough of Manhattan.

The Building is a new construction project and will contain 250 Residential Units (including the Resident Manager's Unit), 105 Storage Units and 2 Commercial Units, along with public areas currently anticipated to include a pool, health club, laundry room, club room, screening room, business center, children's playroom and spa center located on the Club Floor for use solely by occupants of Residential Units; and a balcony and Plaza area.

The Building is poured in place concrete with limestone cladding and storefronts at the base and a glass and aluminum window wall for the tower. It will rise approximately 480 feet and be of glass curtain construction. The main entrance and lobby is located off of Fifth Avenue. A public plaza occupies the open space to the east of the Building with access from East 33rd Street.

Sponsor has engaged The Stephen B. Jacobs Group, P.C., as architect of record. In addition, I.M. Robbins, P.C. has been retained as mechanical and electrical engineer, Cantor Seinuk Group, P.C., as structural engineer, and Levine Builders as construction manager. (See "Identity of Parties" in Part I, Section Y). The Plans and Specifications for the Building have been prepared by The Stephen B. Jacobs Group, P.C., in consultation with such other professionals.

Construction of the Building, including the individual Units, will be completed substantially in accordance with the Plans and Specifications, and otherwise in accordance with the Zoning Resolution, the Building Code of The City of New York and all other applicable Legal Requirements. However, Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details) and substitute in place of any materials, appliances, equipment and fixtures set forth therein or in Exhibit 5 in Part II of the Plan, items of substantially equal or better quality, provided, however, that any material change shall be set forth in an amendment to the Plan, that any necessary approval of any governmental authority having jurisdiction is first obtained, and that no such amendments, modifications or substitutions may be made if the same would materially adversely affect any Purchaser under an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen

events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's control, and where no practicable alternative (in the exercise of sound construction management practices) exists), and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchasers, offer any materially adversely affected Purchaser(s) the right, for at least 15 days, to rescind their Agreements and receive a refund of their Deposit, together with all interest earned thereon. (Any such changes that are not both material and adverse will not give rise to a right of rescission.)

The location in the Building, and the size, layout and approximate square footages of the Units are shown on the floor plans duplicated in Exhibit 5 of Part II of the Plan. Such floor plans are subject to the rights of Sponsor or its designee to combine two or more Unsold Units, to add additional Units by subdividing Unsold Units or to subdivide one or more Commercial Units and redesignate a portion there certain space formerly contemplated to be part of one or more Commercial Units to be Residential or Storage Unit space or to change the number of rooms in, as well as the size, layout and square foot area of, any Unsold Units, as further described in Part I, Section H hereof, provided, however, that any material change shall be set forth in an amendment to the Plan, that no material adverse change will be made in the size (i.e., decrease), configuration or layout of a Unit for which an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's control, and where no practicable alternative (in the exercise of sound construction management practices) exists), and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchasers, offer the materially adversely affected Purchaser(s) the right, for at least 15 days, to rescind their Agreements and receive a refund of their Deposit, together with all interest earned thereon.

Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset or reduction in the purchase price for his or her Unit or otherwise be relieved of any obligations under the Agreement, by virtue of a minor inaccuracy or error in the floor plans. With regard to size, such minor error would mean a decrease of 5% or less or any increase in the size of any Unit or room contained in a Unit.

The Building incorporates highly sophisticated mechanical equipment designed to provide for the physical comfort and convenience of the Building's occupants. In addition, heat pump units are operated year round to provide for heating and cooling of the individual Residential Units. During normal operation of this equipment, some occupants of Residential Units adjacent to or in the vicinity of the equipment floors and equipment areas of the Building, or in which heat pumps are being operated to provide heating and/or cooling, may perceive noise and/or vibration from the equipment. The sole obligation of Sponsor and the Board with respect to such noise and/or vibration shall be to install and operate such equipment in a manner consistent with commercially reasonable practices in typical luxury high-rise residential buildings and in compliance with applicable Legal Requirements, including the New York City Building Code.

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, governmental restrictions, acts of god or other events beyond its reasonable control, construction of the Building will be sufficiently completed to permit closings of title to Residential Units to begin in or about September 2006. Prospective Purchasers should note, however, that the Residential Units will be completed at differing times over a period that may begin prior to and/or extend significantly beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Residential Unit or otherwise be relieved from any obligations under the Agreement, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Residential Unit is accelerated, delayed or postponed by Sponsor, provided, however, that in the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections and if: (i) the amended budget exceeds the projected budget set forth herein by 25% or more; or (ii) the First Closing does not occur within 12 months after September 2006, the date set forth in Schedule B as the commencement date for the projected First Year of Condominium Operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements within not less than 15 days after the presentation date of the amendment containing such revised budget or after such 12-month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Deposit and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. As set forth in the Section of this Plan entitled "Effective Date," no closing of title to any Unit will take place prior to the Plan being declared effective.

2. Residential Units

There will be a total of 250 Residential Units located on Floors 8 through PH47 (including the Residential Unit which will serve as the Resident Manager's Unit). The Residential Units vary in size from one-bedroom apartments with approximately 646 square feet to three-bedroom duplex apartments with approximately 2,983 square feet. Detailed descriptions of the Residential Units are set forth in the Declaration and in Exhibit 5 in Part II of the Plan. Exhibit 5 also includes a detailed description of the fixtures, finishes, appliances and equipment included in each Residential Unit.

The height of the Residential Units, measured from the top of the floor slab to the bottom of the ceiling slab, will generally be 10'-1" at Floors 8 through 41 and 11'4" at Floors 42 through PH47. Ceiling heights in the kitchens, powder rooms, bathrooms and foyers will be approximately 9'0" to 10'0" but may vary. Ceiling heights in the public corridors will be approximately 8'6" to 10'0" but may vary. At beam drops and/or where there are concealed mechanical pipes or ducts or dropped ceilings, heights may be lower than the above stated heights and may also vary slightly from room to room.

There will be no modifications or extras for any Residential Unit unless set forth in the Agreement for such Residential Unit. Moreover, Sponsor shall not be obligated to correct and shall have no liability or responsibility to any Purchaser for, and no Purchaser shall be entitled to any reduction in or credit against the purchase price of his or her Residential Unit or be otherwise relieved from performing his or her obligations under the Agreement as a result of minor or insubstantial inaccuracy or error in the floor plans for such Residential Unit as set forth in Part II of the Plan.

3. Storage Units

There will be a total of 105 Storage Units in the Condominium, located on Floor S2 varying in size from 25 square feet to 48 square feet. The Storage Units may only be purchased by and sold only to Residential Unit Owners and, used only by occupants or owners of the Residential Units and only for storage purposes, provided that no materials which pose a health or safety threat or which otherwise create a nuisance may be stored therein. (See Section 6.10 of the By-Laws for further details with respect to the ownership and use of the Storage Units.) Notwithstanding the foregoing, Sponsor or its designee shall have the right to use any Unsold Storage Units for any lawful purpose or to change the permitted use of any Unsold Storage Units, subject, however, to the provisions of Article 6 of the By-Laws which provide, among other things, that no use shall be allowed in the Condominium which interferes with the peaceful possession and proper use of the Condominium by its occupants.

Sponsor further reserves the right to change the number of Units by, among other things, subdividing the Commercial Units and redesignating in an amendment to the Declaration in connection with such subdivision a portion of a subdivided Commercial Unit as a Residential Unit or Storage Unit as described in this Plan.

4. Commercial Units

The Condominium will also initially include 2 Commercial Units -- Commercial Unit 1 which will be located on the Ground Floor and Floor S1 of the Building and Commercial Unit 2 which will have space on the Ground Floor and Floors S1 and S2 of the Building. The Commercial Units (not offered hereby) may be used for any lawful purpose, including, without limitation, for retail, restaurant, banking, commercial, office, storage, garage and utility purposes. The Board will have no right to restrict or limit any of the uses of, or alterations in or to, the Commercial Units (including the storefronts thereof) which are permitted by law and applicable zoning ordinances, except as otherwise set forth in the By-Laws and Declaration. It is currently anticipated that Commercial Unit 1 will initially be used for retail purposes (and ancillary uses) and that Commercial Unit 2 will initially be used as a parking garage (and ancillary uses), although no representation or warranty is made with respect to such initial or any subsequent uses of such Commercial Units or with respect to who the owner or tenant(s) of the Commercial Units may be at any time.

Subject to the foregoing and all applicable zoning regulations and the Declaration and By-Laws, the Commercial Units may be sold, leased or subleased by the Commercial Unit Owner thereof, or subdivided by the Commercial Unit Owner into two or more separate commercial condominium units and such subdivided units sold or leased. (See "Commercial

Units" in Part I, Section G hereof.) None of the Residential Unit Owners, the Storage Unit Owners or the Board will have any interest in the rents, profits or revenues from the rental or use of any space in such Commercial Units.

Although it is currently anticipated that Sponsor will retain ownership of the Commercial Units, no representation is made with respect to the type or identity of the owners, tenants or occupants of any portion of the Commercial Units at any time, or the purposes for which any portion of any Commercial Unit may be used at any time.

5. Balconies/Terraces

As indicated in Schedule A, Balconies and/or Terraces are appurtenant to certain Residential Units. Each Balcony and Terrace is a Residential Limited Common Element. The Residential Unit Owner of a Residential Unit having a Balcony or Terrace shall have the exclusive use of the Balcony or Terrace appurtenant thereto, subject to the right of the Board to regulate its use in accordance with the By-Laws and the Rules and Regulations; and such Residential Unit Owner shall be responsible for all normal maintenance, repairs and replacements to such Balcony or Terrace. However, the costs and expenses of any structural repairs or repairs or replacements caused by the need for such structural repairs to any Balcony or Terrace (unless caused by or attributable to the Residential Unit Owner thereof) shall be charged to all Residential Unit Owners as a Common Expense.

The Board shall have the right to require a Residential Unit Owner to remove plantings, roof surfaces and other installations which have been placed on the Terraces if the Board determines, in its sole discretion, that such plantings or other installations may adversely affect the integrity of the roof or other portion of the Building or is otherwise unsafe. In addition, the Board shall have the right, in connection with any repair or maintenance work in the Building, to erect scaffolding temporarily on any Balcony or Terrace. In no event shall any Residential Unit Owner of a Residential Unit having a Balcony or Terrace be permitted to enclose or erect any structure on such Balcony or Terrace. The Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Residential Units and to insure the integrity of the Building and the health and safety of the occupants.

6. Common Elements

As is set forth in more detail in the Declaration, the Common Elements consist of the Land, together with all easements, rights and privileges appurtenant thereto (except as otherwise expressly provided in the Declaration) and all parts of the Building other than the Units themselves, including, generally, the foundations, roofs and supports of the Building and all other parts of the Building and all apparatus, installations, systems, equipment and facilities therein for the common use of the Units and Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The Common Elements are divided into the following separate categories: (i) the General Common Elements, which are, generally, those Common Elements which serve or benefit all the Units or Unit Owners; and (ii) the Residential Limited Common Elements, which are, generally, those Common Elements which serve or benefit exclusively the Residential or Storage Units, or the Residential or Storage Unit Owners. The Common Elements cannot be divided or partitioned, except as provided in the New York

Condominium Act. A Unit Owner's interest in the Common Elements shall not be separated from the Unit to which it appertains. For a detailed description of the Common Elements, see Exhibit 5 in Part II of the Plan and Article 7 of the Declaration (Exhibit 7 in Part II of the Plan).

a. General Common Elements

The General Common Elements consist of all Common Elements other than the Limited Common Elements, and include, among other things, the following: (i) the Land, together with all easements, rights and privileges appurtenant thereto (except as otherwise expressly provided in the Declaration); (ii) all foundations, foundation walls, roofs (except as otherwise expressly provided in the Declaration), footings, columns, girders, beams, supports, interior load-bearing walls, floor slabs and ceilings; (iii) the chiller and related support structure including the cooling tower; (iv) all passages and corridors, mechanical and other utility rooms, all fire staircases, landings and stairs, areas and spaces located in the Building, which are not Residential Limited Common Elements or included in any Unit; (v) any ventilation supply system consisting of motors, ductwork, fans and controls return piping, serving or benefiting any combination of the Residential Units (or Storage Units) and the Commercial Units; (vi) hot water and chilled water systems; (vii) all mechanical equipment and associated piping and controls serving or benefiting any combination of the Residential Units (or Storage Units) and the Commercial Units; (ix) all electrical risers, feeders, lines and equipment, including incoming service, main switchgear and distribution panelboards, conduits, wires, meters, transformers and panelboards serving or benefiting any combination of the Residential Units (or Storage Units) and the Commercial Units, excluding, however, all such items located within a Unit and serving only that Unit; (x) all plumbing fixtures, equipment for distribution of cold water and equipment for producing and distributing hot and chilled water, including pumps, valves, pressure reducers, meters and water heaters and chillers, excluding, however, all such items located within a Unit and serving only that Unit; (xi) all storm and sanitary sewer equipment and pipes (including vent lines, ejectors, interceptors, filters and valves), excluding, however, all such items located within a Unit and serving only that Unit; (xii) all electric service rooms, gas, steam and water meter rooms, Building storage rooms (other than Storage Units), workrooms, locker rooms, telephone rooms and other service, mechanical and utility rooms serving or benefiting any combination of the Residential Units (or Storage Units) and the Commercial Units; (xiii) all other facilities of the Building (including shafts, pipes, wires, ducts, vents, flues, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of any combination of the Residential Units (or Storage Units) and the Commercial Units; (xiv) all other parts of the Property either existing for the common use of any combination of the Residential Units (or Storage Units) and the Commercial Units, or their respective Unit Owners or that are necessary or convenient for the existence, maintenance, operation or safety of the Property; and (xv) the Plaza (excluding the residents' courtyard, which is a Residential Limited Common Element). The Common Elements cannot be divided or partitioned, except as provided in the New York Condominium Act. A Unit Owner's interest in the Common Elements shall not be separated from the Unit to which it appertains. For a detailed description of the Common Elements, see Article 7 of the Declaration (Exhibit 7 in Part II of the Plan).

b. Residential Limited Common Elements

The Residential Limited Common Elements consist of the following: (a) the lobby and entrance located on the ground floor and entered from Fifth Avenue and the service entrance off East 32nd Street; (b) all passages, corridors, storage rooms (excluding the Storage Units), housekeeping areas, mechanical and other rooms, areas and spaces (including their respective floors, ceilings and enclosing walls) located in the Building which exclusively serve or benefit the Residential Units and/or Storage Units and are not part of any Unit; (c) the three passenger elevators (PE1, PE2 and PE3); the service elevators (SE1 and SE2), in each case including the shafts, elevator equipment, elevator pits and entrances and appurtenant facilities; (d) smoke detection alarm system, telephone system and cable television system; (e) the pool, health club, club room, screening room, business center, children's playroom, spa center and covered balcony and other residential amenities located on the Club Floor and dedicated for use solely by occupants of Residential Units; (f) all Building storage rooms (excluding the Storage Units), locker rooms, telephone rooms and other service, mechanical and utility rooms serving or benefiting only the Residential Units and/or the Storage Units; (g) all security monitors and equipment and other security facilities serving or benefiting only the Residential Units and Storage Units; (h) all other systems, installations and facilities of the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which exclusively serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Units and/or the Storage Units; (i) fireplace flues serving any Residential Units; (j) the Fifth Avenue Club terrace on the Club Floor and the residents' courtyard on the Ground Floor adjacent to the Plaza; (k) the laundry facility located on Floor S1; and (l) the balcony or terrace appurtenant to any particular Residential Unit (although the benefitted Residential Unit Owner shall have the responsibilities with respect thereto as are set forth in the By-Laws).

7. Available Services and Facilities

Generally, all services normally associated with the operation and maintenance of a luxury residential condominium will be provided to Residential Unit Owners at no cost other than Common Charges; these are described below in the Section entitled "Building Standard Services and Facilities". There will be a variety of other services offered which will be available to Residential Unit Owners at their option. (See "Optional Services" described below). Notwithstanding the foregoing, however, the Board shall at all times maintain, operate and staff the Building in compliance with, and subject to, all applicable Legal Requirements.

a. Building Standard Services and Facilities (provided to all Residential Unit Owners at no cost other than the Common Charges payable by Residential Unit Owners):

(i) **The Fifth Avenue Club**. The Building will feature an amenity area currently anticipated to be known (subject to Sponsor's right to change the designation of such area from time to time) as the "Fifth Avenue Club" and located on the Club Floor. The facilities of the Fifth Avenue Club will be available exclusively to Residential Unit occupants. It is anticipated that the Fifth Avenue Club will feature the following areas and amenities:

Reception/Office Area which will serve as the controlled entrance to the Club and will have a reception desk and certain other office equipment.

Indoor Pool and Pool Deck consisting of an indoor pool with surrounding deck and lounging area.

Social/Party Room which will serve as a gathering area for the residents. It will contain a warming kitchen, a seating area and various games. (Nominal set-up and cleanup fees may be charged on a per-use basis.)

Cardiovascular/Strength Room containing cardiovascular and strength equipment. Residents may be able to arrange (at their own expense) for personal training sessions within this area.

Aerobic/Movement Room to be used for various movement, exercise and similar classes which may be offered in the Club.

Screening Room which will serve as a home theater where residents can watch movies, sporting events and various other entertainment events.

Conference Room/Library/Business Center which will serve as a multi purpose room where residents can conduct business, read books, conduct meetings and various other similar activities.

Men's & Women's Locker Rooms which will contain toilets, showers, lockers, steam showers, sauna and treatment rooms for any spa services which residents may wish to arrange (which services will be at the cost of the user of same).

Children's Play Room serving as an attractive indoor play space for children and their caregivers.

Co-Ed Sauna which will consist of wooden walls, floors and benches with the appropriate heating unit and accessories.

(ii) **Doorman**. A doorman will be on duty at the street entrance to the lobby from 8:00 a.m. until midnight, seven days a week. The doorman is expected to open doors, hail taxicabs and assist residents with packages and luggage.

(iii) **Concierge**. There will be a concierge on duty in the lobby area and available 24 hours per day/seven days per week.

(iv) **Elevator Service**. The passenger elevators will be automatically operated and therefore will be in service as necessary, 24 hours per day, seven days per week. The service elevator will be available to Residential Unit Owners or tenants by prior arrangement with the Resident Manager and otherwise in accordance with established policies. The residential passenger elevators will enable residents to access the customer area on Floor S1 within the parking facility that is anticipated to be operated within Commercial Unit 2.

(v) **Communications Facilities, Intercom Service, and Internet connection.** Each Residential Unit will be equipped with an internal telephone system.

This system will enable the occupants of each Residential Unit to communicate directly with the concierge and/or front desk regarding the admission of guests, visitors and, in the case of Building personnel, prior notice of their imminent arrival. Each Residential Unit will also come prewired to accommodate DSL and cable modem Internet access. Residential Units will also be wired for cable and/or satellite television service.

(vi) **Package Room**. There will be a package room located in the service corridor adjacent to the lobby. The valet (or, after hours, the concierge) will accept deliveries of packages and store them temporarily in the package room until picked up by the Unit Owner or occupant.

(vii) **Mail**. All incoming mail will be delivered by the United States Postal Service to locked mail boxes.

(viii) **Maintenance Personnel.** Building personnel will include a Resident Manager and handymen, porters and cleaning staff as may be necessary for the proper maintenance and cleaning of the common areas.

(ix) **Refuse Disposal.** There will be recycling bins and refuse chutes located on each residential floor. The chutes will lead directly to an automatic compacting facility within the building where refuse will be automatically compressed. Building staff will transfer the compressed refuse to the sidewalk [or loading dock area] as needed pending collection by the City of New York Department of Sanitation. Recycling bins on each residential floor will be emptied as necessary by Building staff. The Commercial Unit Owners will be responsible, at their sole cost and expense, for storing and disposing of their refuse in a manner which complies with all applicable Legal Requirements.

(x) **Other Service Contracts.** Certain additional services covered by third-party contracts, such as elevator maintenance are included in Building standard services.

(xi) **Security Procedures.** All entrances to the Building will be monitored by employees of the Condominium and/or electronic alarm systems. No representation or warranty is made and no assurance is given that the security systems and procedures of the Building will prevent personal injury or damage to or loss of personal property.

(xii) **Laundry**. Each Residential Unit will contain a washing machine and dryer. (See Exhibit 4 in Part II of the Plan for further details.) Additionally, an ADA compliant laundry room containing one washer/dryer will be located on Floor C1 for the use of occupants of Residential Units on a fee per use basis. An agreement with a laundry vending machine operator may be entered into by the Board with respect to the leasing, maintenance and service of such equipment. The cost of utilities for such laundry room will be charged to the budget as a Common Expense of the Residential Unit Owners.

b. Optional Services (available to Residential Unit Owners at their option upon payment of an additional fee).

(i) Valet Service. It is anticipated that valet service will be available on site in the lobby through an independent valet operator. The rates charged for these services will be approximately equivalent to those charged under similar circumstances at other quality locations elsewhere in New York City. Such charges will be payable directly to the valet operator by the Unit Owner, tenant or occupant using such service. On a fee for service basis, it is anticipated that the valet will assist residents with services such as arranging for professional laundry and dry cleaning, tailoring and alterations, shoe repair, housekeeping services, reservations and bookings for car and limousine services, restaurant reservations, referrals to spa and beauty services providers, referrals to clerical services, dog walking and pet boarding services, babysitting referrals, reserving theater, sporting and entertainment tickets, catering and party services and the like. At no per-use cost, the valet service attendant will accept deliveries of packages and store them temporarily until picked up by the Residential Unit Owner or occupant. Purchasers are advised that not all of these services may be offered and those that are offered may not be available at all times. It is anticipated that other than the costs of individual services utilized by residents, there will be no fee payable by the Condominium in respect of the valet services. In the event the third-party vendor pays the Condominium for the right to operate and offer its services in the Building, such amounts shall serve to defray the Residential Unit Owners' Common Expenses.

(ii) Spa Services. In addition to the non-fee services anticipated to be offered at the Fifth Avenue Club, additional spa-type services (e.g., massage) may be offered on a fee-per-use basis and arranged by the Fifth Avenue Club staff.

c. General Provisions Concerning Services and Facilities

No representation or warranty is made as to the continued operation or existence of any of the foregoing services or facilities and neither Sponsor nor the Board shall have any liability with respect to or arising from any Unit Owner's, tenant's or occupant's use of any of the foregoing or the amount of the fees charged therefor.

In all likelihood, the nature of the services listed above, the hours during which they are provided and the rates charged for same will change from time to time, in the discretion of the Board, the Managing Agent or other party providing the service. However, all services required by law will be provided at all times. Neither Sponsor, the Managing Agent, the Selling Agent nor the Board will in any event be liable for the availability, interruption, discontinuance or quality of any of such services, including, but not limited to, any services provided by any outside company or person, other than Building personnel, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, except to the extent that any such injury or damage occurs as a result of the gross negligence or willful misconduct of Sponsor, the Managing Agent, the Selling Agent or the Board, as the case may be.

The Board has complete discretion in determining how these facilities will be operated, maintained or modified, whether facilities should be added or discontinued, and the rates to be charged for their use. No representation or warranty is made as to the continued operation or existence of any of the foregoing facilities, or the amount of the fees charged therefor.

Although Sponsor anticipates that many of the services described above will be available at the time of the First Closing, prospective Purchasers should note that some of these services (such as a full staff of personnel) may not be available until the later of: (i) twelve months after the First Closing; or (ii) the closing of title to and occupancy of at least 50% in number and Common Interest of the Residential Units. In addition, certain of the amenities described in the Plan may not be arranged or available until after such interim period. However, it is anticipated that at all times after the First Closing, the lobby will be attended 24 hours per day, seven days per week, and there will be at least one elevator servicing every floor on which there are occupied Residential Units. The interim level of staffing will at all times during this period be commensurate with the levels of occupancy from time to time and adequate to properly maintain the Building. Purchasers are also advised that during such period and beyond, various systems, including, but not limited to, water supply, air conditioning, heating, cooling, ventilating and elevators, may be incomplete and may be disrupted temporarily and from time to time. See the Special Risks entitled "Interim Service Period" and "Additional Building Work" above.

Purchasers are further advised to note that construction in general is a complicated process which requires the coordination of numerous concurrent tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems, all of which is subject to unanticipated delays and difficulties and necessarily involves noise, disruption and inconvenience. Thus, for a period of time following the First Closing (through, including and beyond the closing of title to any particular purchaser's Residential Unit), work should be expected to be undertaken and continue by or on behalf of: (i) Sponsor to complete the balance of the Building; (ii) individual Residential Unit Owners within their Residential Units (to perform custom renovations, etc.); and (iii) the Commercial Unit Owners to complete construction, build-out, furnishing and equipping their Units. During at least the First Year of Operation, construction workers and related personnel of Sponsor and others will be at the Property from time to time performing construction work, making adjustments and performing various other tasks related to the completion of construction, fitting out of, and moving into, the Residential Units and other portions of the Building. Residential elevators and personnel may be taken out of service and diverted to facilitate construction and exterior hoists may be in place during at least the year following the First Closing, and from time to time thereafter, as needed, in connection with construction being performed in Residential Units by the Unit Owners thereof. Sponsor may not fully complete the decoration or finishing of the lobby, corridors, elevator finishes and other portions of the Building, including, but not limited to, installing light fixtures, painting, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Unit Owners or, if additional construction within a Unit is anticipated, for some period thereafter. All of the foregoing work and conditions will create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Certain portions of the Common Elements may be completed before or after completion of any particular Purchaser's Unit. As a result, certain amenities and benefits anticipated to be available to

Residential Unit Owners (e.g., the Fifth Avenue Club, the Plaza, etc.) may not be available until such other portions of the Building are completed and fully operational. Sponsor shall have no liability whatsoever in the event these services are delayed, not made available, or discontinued or disrupted. Further, the Residential Board and/or Sponsor may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and permanent certificate(s) of occupancy have been obtained therefor. Even where such alterations are permitted, the Residential Board and/or Sponsor may impose conditions and deadlines upon the planning, performing and completion of such work. No assurance can be given with regard to the accuracy of any projected schedules or completion dates set forth herein or with respect to the duration of any interim service period or periods of potential disruption to the Residential Unit Owners and their tenants or occupants, all such dates and timetables, to the extent provided, being only good faith estimates.

Sponsor and its designee(s) shall have the right, until the tenth anniversary of the First Closing, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions (e.g., with respect to any sales programs for Unsold Units) or otherwise.

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C. LOCATION AND AREA INFORMATION

1. Location and Services

The Condominium is situated at 321-329 Fifth Avenue, New York, New York, on the east side of Fifth Avenue on a portion of the block between East 32nd Street and East 33rd Street.

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

New York City is served by three major airports -- LaGuardia Airport, John F. Kennedy International Airport and Newark International Airport. Passenger railroad service is provided from Pennsylvania Station, located at Seventh Avenue and 33rd Street, and from Grand Central Terminal, located at Lexington Avenue and 42nd Street.

Transportation to and from the Building, and throughout New York City, is readily available by taxi, limousine, private automobile, subway or bus. In addition to the parking garage which may be operated within Commercial Unit 2 in the Building a number of commercial parking garages are located nearby.

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

All public services, including schools, police protection, library, street maintenance, social services and fire protection are provided by The City of New York. The Property is located at 321-329 Fifth Avenue, between East 32nd Street and East 33rd Street, which are dedicated New York City roads. The nearest police precinct headquarters is the 14th (Midtown South) Precinct located at 357 West 35th Street between Eighth and Ninth Avenues. Fire protection is provided from the Engine 1, Ladder #24 firehouse situated at 142 West 31st Street between Sixth Avenue and Broadway. The main branch of the world famous New York City public library system is located at Fifth Avenue and 42nd Street. Many religious faiths have congregations within walking distance of the Property.

In addition, other attractions within walking distance from the Property include Madison Square Garden, the Theatre District, the Garment District, the Fur District, Times Square, the Empire State Building, Macy's at 34th St. and Bryant Park.

2. Zoning

The Condominium is located in an area zoned C5-2 (R10 Equivalent) under the New York City Zoning Resolution. The zoning permits residential and commercial uses. The intended use of the Building as described in accordance with the provisions of this Plan will be

in compliance with the current requirements of the Zoning Resolution. A copy of the zoning regulations and variances with respect to the Project is on file at the Sponsor's office.

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D. SCHEDULE A

Offering Prices and Related Information

SCHEDULE A

325 FIFTH AVENUE CONDOMINIUM

325 FIFTH AVENUE
NEW YORK, NY 10016

OFFERING PRICES AND RELATED INFORMATION
(1)

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE ANTICIPATED FIRST YEAR OF CONDOMINIUM OPERATION - SEPTEMBER 1, 2006 TO AUGUST 31, 2007

UNIT	NUMBER OF BEDROOMS/ BATHROOMS	APPROX. SQUARE FOOTAGE OF UNIT (2)	APPROX. SQUARE FOOTAGE OF BALCONY AND/OR TERRACE (2)	OFFERING PRICE (3)	PERCENTAGE OF RESIDENTIAL COMMON INTEREST	PERCENTAGE OF COMMON INTEREST (4)	ESTIMATED COMMON CHARGES MONTHLY (5)	ESTIMATED COMMON CHARGES ANNUAL (5)	ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT MONTHLY (6)	ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT ANNUAL (6)	ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT MONTHLY	ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT ANNUAL	ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT MONTHLY	ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT ANNUAL	ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT MONTHLY	ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT ANNUAL
Residential Units																
8A	3/3 (T)	1,511	1,138	$2,095,000	0.6057%	0.5619%	$1,292.19	$15,506.30	$251.37	$3,016.47	$2,590.87	$31,090.46	$1,543.56	$18,522.77	$3,883.06	$46,596.76
9A	2/2	1,176	0	$1,175,000	0.4246%	0.3717%	$905.69	$10,868.29	$176.19	$2,114.26	$1,815.93	$21,791.21	$1,081.88	$12,982.55	$2,721.62	$32,659.49
10A	2/2	1,176	0	$1,175,000	0.3793%	0.3645%	$809.07	$9,708.78	$157.39	$1,888.64	$1,622.20	$19,466.36	$966.45	$11,597.43	$2,431.26	$29,175.14
11A	2/2 (B)	1,176	86	$1,190,000	0.3880%	0.3482%	$827.65	$9,931.76	$161.00	$1,932.06	$1,659.45	$19,913.45	$988.65	$11,863.82	$2,487.10	$29,845.21
12A	2/2 (B)	1,176	86	$1,205,000	0.3915%	0.3518%	$835.08	$10,020.96	$162.45	$1,949.42	$1,674.36	$20,092.28	$997.53	$11,970.38	$2,509.44	$30,113.24
14A	2/2 (B)	1,176	86	$1,220,000	0.3949%	0.3554%	$842.51	$10,110.15	$163.90	$1,966.79	$1,689.26	$20,271.12	$1,006.41	$12,076.94	$2,531.77	$30,381.26
15A	2/2 (B)	1,176	66	$1,235,000	0.3984%	0.3590%	$849.95	$10,199.34	$165.35	$1,984.15	$1,704.16	$20,449.95	$1,015.29	$12,183.49	$2,554.11	$30,649.29
16A	2/2 (B)	1,176	86	$1,250,000	0.4019%	0.3626%	$857.36	$10,288.53	$166.79	$2,001.52	$1,719.07	$20,628.78	$1,024.17	$12,290.05	$2,576.44	$30,917.32
17A	2/2 (B)	1,176	86	$1,265,000	0.4054%	0.3662%	$864.81	$10,377.73	$168.24	$2,018.88	$1,733.97	$20,807.62	$1,033.05	$12,396.61	$2,598.76	$31,185.34
18A	2/2 (B)	1,176	86	$1,280,000	0.4089%	0.3698%	$672.24	$10,466.92	$169.69	$2,036.25	$1,748.87	$20,986.45	$1,041.93	$12,503.17	$2,621.11	$31,453.37
19A	2/2 (B)	1,176	86	$1,295,000	0.4124%	0.3770%	$879.68	$10,556.11	$171.12	$2,053.48	$1,763.77	$21,165.29	$1,050.80	$12,609.59	$2,643.45	$31,721.40
20A	2/2 (B)	1,176	86	$1,310,000	0.4156%	0.3806%	$687.11	$10,645.30	$172.57	$2,070.85	$1,776.66	$21,344.12	$1,059.68	$12,716.15	$2,665.79	$31,989.43
21A	2/2 (B)	1,176	86	$1,325,000	0.4193%	0.3842%	$894.54	$10,734.50	$174.02	$2,088.21	$1,793.58	$21,522.96	$1,068.56	$12,822.71	$2,688.12	$32,257.45
22A	2/2 (B)	1,176	66	$1,340,000	0.4226%	0.3876%	$901.97	$10,823.69	$175.46	$2,105.58	$1,806.48	$21,701.79	$1,077.44	$12,929.27	$2,710.46	$32,525.48
23A	2/2 (B)	1,176	86	$1,355,000	0.4263%	0.3914%	$909.41	$10,912.88	$176.91	$2,122.94	$1,623.39	$21,880.62	$1,086.32	$13,035.83	$2,732.79	$32,793.51
24A	2/2 (B)	1,176	86	$1,370,000	0.4296%	0.3950%	$916.84	$11,002.07	$178.36	$2,140.31	$1,838.29	$22,059.46	$1,095.20	$13,142.38	$2,755.13	$33,061.53
25A	2/2 (B)	1,176	86	$1,385,000	0.4333%	0.3986%	$924.27	$11,091.27	$179.81	$2,157.67	$1,653.19	$22,238.29	$1,104.08	$13,248.94	$2,777.46	$33,329.56
26A	3/3 (B)	1,489	86	$1,545,000	0.5121%	0.4426%	$1,092.37	$13,108.49	$212.51	$2,550.07	$2,190.23	$26,262.80	$1,304.68	$15,658.56	$3,282.61	$39,391.28
27A	3/3 (B)	1,469	86	$1,565,000	0.5155%	0.4462%	$1,099.81	$13,197.68	$213.95	$2,567.44	$2,205.14	$26,461.63	$1,313.76	$15,765.12	$3,304.94	$39,659.31
28A	3/3 (B)	1,489	86	$1,585,000	0.5190%	0.4498%	$1,107.24	$13,286.87	$215.40	$2,584.80	$2,220.04	$26,640.46	$1,322.64	$15,871.68	$3,327.28	$39,927.34
29A	3/3 (B)	1,489	66	$1,605,000	0.5225%	0.4534%	$1,114.67	$13,376.07	$216.85	$2,602.17	$2,234.94	$26,819.30	$1,331.52	$15,978.23	$3,349.61	$40,195.36
30A	3/3 (B)	1,489	86	$1,625,000	0.5260%	0.4570%	$1,122.10	$13,465.26	$218.29	$2,619.53	$2,249.84	$26,998.13	$1,340.40	$16,084.79	$3,371.95	$40,463.39
31A	3/3 (B)	1,469	86	$1,645,000	0.5295%	0.4606%	$1,129.54	$13,554.45	$219.73	$2,636.77	$2,264.75	$27,176.97	$1,349.27	$16,191.22	$3,394.28	$40,731.42
32A	3/3 (B)	1,489	86	$1,665,000	0.5330%	0.4642%	$1,136.97	$13,643.64	$221.18	$2,654.13	$2,279.65	$27,355.80	$1,358.15	$16,297.78	$3,416.62	$40,999.44
33A	3/3 (B)	1,489	86	$1,685,000	0.5365%	0.4676%	$1,144.40	$13,732.84	$222.62	$2,671.50	$2,294.55	$27,534.64	$1,367.03	$16,404.33	$3,438.96	$41,267.47
34A	3/3 (B)	1,489	86	$1,705,000	0.5399%	0.4714%	$1,151.64	$13,822.03	$224.07	$2,688.66	$2,309.46	$27,713.47	$1,375.91	$16,510.89	$3,461.29	$41,535.50
35A	3/3 (B)	1,489	86	$1,725,000	0.5434%	0.4750%	$1,159.27	$13,911.22	$225.52	$2,706.23	$2,324.36	$27,892.30	$1,384.79	$16,617.45	$3,483.63	$41,803.52
36A	3/3 (B)	1,489	86	$1,745,000	0.5469%	0.4786%	$1,166.70	$14,000.41	$226.97	$2,723.59	$2,339.26	$28,071.14	$1,393.67	$16,724.01	$3,505.96	$42,071.55
37A	3/3 (B)	1,489	86	$1,765,000	0.5504%	0.4622%	$1,174.13	$14,089.61	$228.41	$2,740.96	$2,354.16	$28,249.97	$1,402.55	$16,830.56	$3,528.30	$42,339.58
38A	3/3 (B)	1,489	86	$1,785,000	0.5539%	0.4658%	$1,181.57	$14,178.80	$229.86	$2,758.32	$2,369.07	$28,428.81	$1,411.43	$16,937.12	$3,550.63	$42,607.61
39A	3/3 (B)	1,489	86	$1,805,000	0.5574%	0.4694%	$1,189.00	$14,267.99	$231.31	$2,775.69	$2,383.97	$28,607.64	$1,420.31	$17,043.68	$3,572.97	$42,875.63
40A	3/3 (B)	1,469	86	$1,825,000	0.5608%	0.4930%	$1,196.43	$14,357.16	$232.74	$2,792.92	$2,398.87	$28,786.47	$1,429.18	$17,150.11	$3,595.30	$43,143.66
41A	3/3 (B)	1,489	86	$1,845,000	0.5643%	0.4966%	$1,203.86	$14,446.38	$234.19	$2,810.29	$2,413.78	$28,965.31	$1,438.06	$17,256.67	$3,617.64	$43,411.69
42A	3/3 (B)	1,469	86	$1,865,000	0.5678%	0.5002%	$1,211.30	$14,535.57	$235.64	$2,827.65	$2,428.68	$29,144.14	$1,446.94	$17,363.22	$3,639.98	$43,679.71
43A	3/3.5 (T, F, D)	2,792	1,548	$4,200,000	1.1442%	0.9182%	$2,440.89	$29,290.72	$474.84	$5,698.07	$4,894.05	$58,728.63	$2,915.73	$34,988.80	$7,334.95	$88,019.36
45A	3/3.5 (B, F)	1,911	146	$3,000,000	0.7626%	0.5305%	$1,669.50	$20,034.02	$324.77	$3,897.29	$3,347.39	$40,168.62	$1,994.28	$23,931.31	$5,016.89	$60,202.64

B = Balcony; T = Terrace; F = Fireplace; D = Duplex

SCHEDULE A

325 FIFTH AVENUE CONDOMINIUM

325 FIFTH AVENUE
NEW YORK, NY 10016

OFFERING PRICES AND RELATED INFORMATION
(1)

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE ANTICIPATED FIRST YEAR OF CONDOMINIUM OPERATION - SEPTEMBER 1, 2006 TO AUGUST 31, 2007

UNIT	NUMBER OF BEDROOMS/ BATHROOMS	APPROX. SQUARE FOOTAGE OF UNIT (2)	APPROX. SQUARE FOOTAGE OF BALCONY AND/OR TERRACE (2)	OFFERING PRICE (3)	PERCENTAGE OF RESIDENTIAL COMMON INTEREST	PERCENTAGE OF COMMON INTEREST (4)	ESTIMATED COMMON CHARGES		ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT		ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT		ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT		ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT	
							MONTHLY (5)	ANNUAL (5)	MONTHLY (6)	ANNUAL (6)	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL
8B	2/2.5 (T)	1,741	623	$2,300,000	0.6597%	0.5936%	$1,407.40	$16,888.79	$273.79	$3,285.50	$2,821.87	$33,862.39	$1,681.19	$20,174.28	$4,229.26	$50,751.17
9B	1/1	646	0	$660,000	0.1876%	0.1734%	$400.27	$4,803.19	$77.86	$934.34	$802.54	$9,630.48	$478.13	$5,737.53	$1,202.81	$14,433.67
10B	1/1	646	0	$670,000	0.1911%	0.1770%	$407.70	$4,892.38	$79.31	$951.71	$817.44	$9,809.32	$487.01	$5,844.09	$1,225.14	$14,701.70
11B	1/1	646	0	$680,000	0.1946%	0.1806%	$415.13	$4,981.57	$80.76	$969.07	$832.35	$9,988.15	$495.89	$5,950.65	$1,247.48	$14,969.72
12B	1/1	646	0	$690,000	0.1981%	0.1842%	$422.56	$5,070.77	$82.20	$986.44	$847.25	$10,166.98	$504.77	$6,057.21	$1,269.81	$15,237.75
14B	1/1	646	0	$700,000	0.2016%	0.1878%	$430.00	$5,159.96	$83.65	$1,003.80	$862.15	$10,345.82	$513.65	$6,163.76	$1,292.15	$15,505.78
15B	1/1	646	0	$710,000	0.2051%	0.1914%	$437.43	$5,249.15	$85.10	$1,021.17	$877.05	$10,524.65	$522.53	$6,270.32	$1,314.48	$15,773.80
16B	1/1	646	0	$720,000	0.2085%	0.1950%	$444.86	$5,338.35	$86.54	$1,038.53	$891.96	$10,703.49	$531.41	$6,376.88	$1,336.82	$16,041.83
17B	1/1	646	0	$730,000	0.2120%	0.1986%	$452.29	$5,427.54	$87.99	$1,055.90	$906.86	$10,882.32	$540.29	$6,483.44	$1,359.15	$16,309.86
18B	1/1	646	0	$740,000	0.2155%	0.2058%	$459.73	$5,516.73	$89.44	$1,073.26	$921.76	$11,061.15	$549.17	$6,589.99	$1,381.49	$16,577.88
19B	1/1	646	0	$750,000	0.2190%	0.2094%	$467.16	$5,605.92	$90.87	$1,090.50	$936.67	$11,239.99	$558.04	$6,696.42	$1,403.83	$16,845.91
20B	1/1	646	0	$760,000	0.2225%	0.2130%	$474.59	$5,695.12	$92.32	$1,107.86	$951.57	$11,418.62	$566.92	$6,802.98	$1,426.16	$17,113.94
21B	1/1	646	0	$770,000	0.2260%	0.2166%	$482.03	$5,784.31	$93.77	$1,125.23	$966.47	$11,597.66	$575.79	$6,909.54	$1,448.50	$17,381.97
22B	1/1	646	0	$780,000	0.2294%	0.2202%	$489.46	$5,873.50	$95.22	$1,142.60	$981.37	$11,776.49	$584.67	$7,016.10	$1,470.83	$17,649.99
23B	1/1	646	0	$790,000	0.2329%	0.2238%	$496.89	$5,962.69	$96.66	$1,159.96	$996.28	$11,955.33	$593.55	$7,122.65	$1,493.17	$17,918.02
24B	1/1	646	0	$800,000	0.2364%	0.2274%	$504.32	$6,051.89	$98.11	$1,177.33	$1,011.18	$12,134.16	$602.43	$7,229.21	$1,515.50	$18,186.05
25B	1/1	646	0	$810,000	0.2399%	0.2310%	$511.76	$6,141.08	$99.56	$1,194.69	$1,026.08	$12,312.99	$611.31	$7,335.77	$1,537.84	$18,454.07
26B	2/2 (B)	1,396	104	$1,440,000	0.4755%	0.4434%	$1,014.33	$12,171.97	$197.32	$2,367.67	$2,033.75	$24,405.04	$1,211.65	$14,539.63	$3,046.06	$36,577.00
27B	2/2 (B)	1,446	104	$1,460,000	0.4790%	0.4411%	$1,021.76	$12,261.16	$198.77	$2,385.23	$2,046.66	$24,583.87	$1,220.53	$14,646.39	$3,070.42	$36,845.03
28B	2/2 (B)	1,446	104	$1,480,000	0.4824%	0.4447%	$1,029.20	$12,350.35	$200.22	$2,402.60	$2,063.56	$24,762.71	$1,229.41	$14,752.95	$3,092.75	$37,113.06
29B	2/2 (B)	1,446	104	$1,500,000	0.4859%	0.4483%	$1,036.63	$12,439.54	$201.66	$2,419.96	$2,078.46	$24,941.54	$1,238.29	$14,859.51	$3,115.09	$37,381.08
30B	2/2 (B)	1,446	104	$1,520,000	0.4894%	0.4519%	$1,044.06	$12,526.74	$203.11	$2,437.33	$2,093.36	$25,120.37	$1,247.17	$14,966.06	$3,137.43	$37,649.11
31B	2/2 (B)	1,446	104	$1,540,000	0.4929%	0.4555%	$1,051.49	$12,617.93	$204.56	$2,454.69	$2,108.27	$25,299.21	$1,256.05	$15,072.62	$3,159.76	$37,917.14
32B	2/2 (B)	1,446	104	$1,560,000	0.4964%	0.4627%	$1,056.93	$12,707.12	$205.99	$2,471.93	$2,123.17	$25,476.04	$1,264.92	$15,179.05	$3,182.10	$38,185.16
33B	2/2 (B)	1,446	104	$1,580,000	0.4999%	0.4663%	$1,066.36	$12,796.31	$207.44	$2,489.29	$2,138.07	$25,656.68	$1,273.80	$15,285.61	$3,204.43	$38,453.19
34B	2/2 (B)	1,446	104	$1,600,000	0.5034%	0.4699%	$1,073.79	$12,885.51	$208.89	$2,506.66	$2,152.98	$25,835.71	$1,282.68	$15,392.17	$3,226.77	$38,721.22
35B	2/2 (B)	1,446	104	$1,620,000	0.5068%	0.4735%	$1,081.22	$12,974.70	$210.34	$2,524.02	$2,167.88	$26,014.54	$1,291.56	$15,498.72	$3,249.10	$38,989.24
36B	2/2 (B)	1,446	104	$1,640,000	0.5103%	0.4771%	$1,088.66	$13,063.89	$211.76	$2,541.39	$2,182.78	$26,193.38	$1,300.44	$15,605.28	$3,271.44	$39,257.27
37B	2/2 (B)	1,396	104	$1,660,000	0.5138%	0.4434%	$1,096.09	$13,153.08	$213.23	$2,556.75	$2,197.68	$26,372.21	$1,309.32	$15,711.84	$3,293.77	$39,525.30
38B	2/2 (B)	1,446	104	$1,680,000	0.5173%	0.4519%	$1,103.52	$13,242.28	$214.68	$2,576.12	$2,212.59	$26,551.05	$1,318.20	$15,818.40	$3,316.11	$39,793.32
39B	2/2 (B)	1,446	104	$1,700,000	0.5206%	0.4555%	$1,110.96	$13,331.47	$216.12	$2,593.48	$2,227.49	$26,729.88	$1,327.08	$15,924.95	$3,338.45	$40,061.35
40B	2/2 (B)	1,446	104	$1,720,000	0.5243%	0.4591%	$1,118.39	$13,420.66	$217.57	$2,610.85	$2,242.39	$26,908.72	$1,335.96	$16,031.51	$3,360.78	$40,329.38
41B	2/2 (B)	1,446	104	$1,740,000	0.5277%	0.4627%	$1,125.82	$13,509.85	$219.01	$2,628.09	$2,257.30	$27,087.55	$1,344.83	$16,137.94	$3,383.12	$40,597.40
42B	2/2 (B)	1,446	104	$1,760,000	0.5312%	0.4663%	$1,133.25	$13,599.05	$220.45	$2,645.45	$2,272.20	$27,266.38	$1,353.71	$16,244.50	$3,405.45	$40,865.43
43B	2/2.5 (B)	1,317	142	$1,760,000	0.4972%	0.4122%	$1,060.74	$12,728.94	$206.35	$2,476.21	$2,126.82	$25,521.64	$1,267.10	$15,205.14	$3,187.57	$38,250.78
44B	2/2.5 (B)	1,317	142	$1,800,000	0.5060%	0.4211%	$1,079.54	$12,954.48	$210.01	$2,520.14	$2,164.50	$25,973.98	$1,289.55	$15,474.62	$3,244.04	$38,928.46
45B	2/2.5 (B)	1,317	142	$1,820,000	0.5149%	0.4300%	$1,098.34	$13,180.02	$213.66	$2,563.94	$2,202.19	$26,426.25	$1,312.00	$15,743.96	$3,300.52	$39,606.27

B = Balcony; T = Terrace; F = Fireplace; D = Duplex

SCHEDULE A

325 FIFTH AVENUE CONDOMINIUM

325 FIFTH AVENUE
NEW YORK, NY 10016

OFFERING PRICES AND RELATED INFORMATION
(1)

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE ANTICIPATED FIRST YEAR OF CONDOMINIUM OPERATION - SEPTEMBER 1, 2006 TO AUGUST 31, 2007

UNIT	NUMBER OF BEDROOMS/ BATHROOMS	APPROX. SQUARE FOOTAGE OF UNIT (2)	APPROX. SQUARE FOOTAGE OF BALCONY AND/OR TERRACE (2)	OFFERING PRICE (3)	PERCENTAGE OF RESIDENTIAL COMMON INTEREST	PERCENTAGE OF COMMON INTEREST (4)	ESTIMATED COMMON CHARGES MONTHLY (5)	ESTIMATED COMMON CHARGES ANNUAL (5)	ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT MONTHLY (6)	ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT ANNUAL (6)	ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT MONTHLY	ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT ANNUAL	ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT MONTHLY	ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT ANNUAL	ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT MONTHLY	ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT ANNUAL
8C	1/1.5	849	0	$860,000	0.2625%	0.2657%	$560.07	$6,720.83	$108.95	$1,307.43	$1,122.95	$13,475.42	$669.02	$8,028.26	$1,683.02	$20,196.25
9C	2/2	1,282	0	$1,225,000	0.3984%	0.3868%	$849.95	$10,199.34	$165.35	$1,984.15	$1,704.16	$20,449.95	$1,015.29	$12,183.49	$2,554.11	$30,649.29
10C	2/2	1,282	0	$1,245,000	0.4019%	0.3904%	$857.38	$10,288.53	$166.79	$2,001.52	$1,719.07	$20,628.78	$1,024.17	$12,290.05	$2,576.44	$30,917.32
11C	2/2	1,282	0	$1,265,000	0.4054%	0.3940%	$864.81	$10,377.73	$168.24	$2,018.88	$1,733.97	$20,807.62	$1,033.05	$12,396.61	$2,598.78	$31,185.34
12C	2/2	1,282	0	$1,285,000	0.4089%	0.3976%	$872.24	$10,466.92	$169.69	$2,036.25	$1,748.87	$20,986.45	$1,041.93	$12,503.17	$2,621.11	$31,453.37
14C	2/2	1,282	0	$1,310,000	0.4124%	0.4012%	$879.68	$10,556.11	$171.12	$2,053.48	$1,763.77	$21,165.29	$1,050.80	$12,609.59	$2,643.45	$31,721.40
15C	2/2	1,282	0	$1,330,000	0.4158%	0.4048%	$887.11	$10,645.30	$172.57	$2,070.85	$1,778.68	$21,344.12	$1,059.68	$12,716.15	$2,665.79	$31,989.43
16C	2/2	1,282	0	$1,350,000	0.4193%	0.4084%	$894.54	$10,734.50	$174.02	$2,088.21	$1,793.58	$21,522.96	$1,068.56	$12,822.71	$2,688.12	$32,257.45
17C	2/2	1,282	0	$1,370,000	0.4228%	0.4120%	$901.97	$10,823.69	$175.46	$2,105.58	$1,808.48	$21,701.79	$1,077.44	$12,929.27	$2,710.46	$32,525.48
18C	2/2	1,282	0	$1,390,000	0.4263%	0.4156%	$909.41	$10,912.88	$176.91	$2,122.94	$1,823.39	$21,880.62	$1,086.32	$13,035.83	$2,732.79	$32,793.51
19C	2/2 (B)	1,282	104	$1,420,000	0.4298%	0.3969%	$916.84	$11,002.07	$178.36	$2,140.31	$1,838.29	$22,059.46	$1,095.20	$13,142.38	$2,755.13	$33,061.53
20C	2/2 (B)	1,282	104	$1,440,000	0.4333%	0.4005%	$924.27	$11,091.27	$179.81	$2,157.67	$1,853.19	$22,238.29	$1,104.08	$13,248.94	$2,777.46	$33,329.56
21C	2/2 (B)	1,282	104	$1,460,000	0.4367%	0.4041%	$931.70	$11,180.46	$181.25	$2,175.04	$1,868.09	$22,417.13	$1,112.96	$13,355.50	$2,799.80	$33,597.59
22C	2/2 (B)	1,282	104	$1,480,000	0.4402%	0.4077%	$939.14	$11,269.65	$182.70	$2,192.40	$1,883.00	$22,595.96	$1,121.84	$13,462.06	$2,822.13	$33,865.61
23C	2/2 (B)	1,282	104	$1,500,000	0.4437%	0.4113%	$946.57	$11,358.85	$184.14	$2,209.64	$1,897.90	$22,774.79	$1,130.71	$13,568.48	$2,844.47	$34,133.64
24C	2/2 (B)	1,282	104	$1,520,000	0.4472%	0.4149%	$954.00	$11,448.04	$185.58	$2,227.00	$1,912.80	$22,953.63	$1,139.59	$13,675.04	$2,866.81	$34,401.67
25C	2/2 (B)	1,282	104	$1,540,000	0.4507%	0.4185%	$961.44	$11,537.23	$187.03	$2,244.37	$1,927.71	$23,132.46	$1,148.47	$13,781.60	$2,889.14	$34,669.69
26C	2/2 (B)	1,151	139	$1,275,000	0.3866%	0.3401%	$824.80	$9,897.55	$160.45	$1,925.45	$1,653.73	$19,844.76	$985.25	$11,823.00	$2,478.53	$29,742.32
27C	2/2 (B)	1,151	139	$1,295,000	0.3901%	0.3437%	$832.23	$9,986.75	$161.90	$1,942.81	$1,668.63	$20,023.60	$994.13	$11,929.56	$2,500.86	$30,010.35
28C	2/2 (B)	1,151	139	$1,315,000	0.3936%	0.3473%	$839.66	$10,075.94	$163.35	$1,960.18	$1,683.54	$20,202.43	$1,003.01	$12,036.12	$2,523.20	$30,278.37
29C	2/2 (B)	1,151	139	$1,335,000	0.3971%	0.3509%	$847.09	$10,165.13	$164.80	$1,977.54	$1,698.44	$20,381.27	$1,011.89	$12,142.68	$2,545.53	$30,546.40
30C	2/2 (B)	1,151	139	$1,355,000	0.4006%	0.3545%	$854.53	$10,254.32	$166.23	$1,994.78	$1,713.34	$20,560.10	$1,020.76	$12,249.10	$2,567.87	$30,814.43
31C	2/2 (B)	1,151	139	$1,375,000	0.4041%	0.3581%	$861.96	$10,343.52	$167.68	$2,012.14	$1,728.24	$20,738.94	$1,029.64	$12,355.66	$2,590.20	$31,082.45
32C	2/2 (B)	1,151	139	$1,395,000	0.4075%	0.3617%	$869.39	$10,432.71	$169.13	$2,029.51	$1,743.15	$20,917.77	$1,038.52	$12,462.22	$2,612.54	$31,350.48
33C	2/2 (B)	1,151	139	$1,415,000	0.4110%	0.3653%	$876.83	$10,521.90	$170.57	$2,046.87	$1,758.05	$21,096.60	$1,047.40	$12,568.78	$2,634.88	$31,618.51
34C	2/2 (B)	1,151	139	$1,435,000	0.4145%	0.3689%	$884.26	$10,611.10	$172.02	$2,064.24	$1,772.95	$21,275.44	$1,056.28	$12,675.33	$2,657.21	$31,886.53
35C	2/2 (B)	1,151	139	$1,455,000	0.4180%	0.3725%	$891.69	$10,700.29	$173.47	$2,081.60	$1,787.86	$21,454.27	$1,065.16	$12,781.89	$2,679.55	$32,154.56
36C	2/2 (B)	1,151	139	$1,475,000	0.4215%	0.3761%	$899.12	$10,789.48	$174.91	$2,098.97	$1,802.76	$21,633.11	$1,074.04	$12,888.45	$2,701.88	$32,422.59
37C	2/2 (B)	1,151	139	$1,495,000	0.4250%	0.3797%	$906.56	$10,878.67	$176.36	$2,116.33	$1,817.66	$21,811.94	$1,082.92	$12,995.01	$2,724.22	$32,690.61
38C	2/2 (B)	1,151	139	$1,515,000	0.4284%	0.3833%	$913.99	$10,967.87	$177.81	$2,133.70	$1,832.56	$21,990.78	$1,091.80	$13,101.56	$2,746.55	$32,958.64
39C	2/2 (B)	1,151	139	$1,535,000	0.4319%	0.3869%	$921.42	$11,057.06	$179.24	$2,150.93	$1,847.47	$22,169.61	$1,100.67	$13,207.99	$2,768.89	$33,226.67
40C	2/2 (B)	1,151	139	$1,555,000	0.4354%	0.3905%	$928.85	$11,146.25	$180.69	$2,168.30	$1,862.37	$22,348.44	$1,109.55	$13,314.55	$2,791.22	$33,494.69
41C	2/2 (B)	1,151	139	$1,575,000	0.4389%	0.3941%	$936.29	$11,235.44	$182.14	$2,185.66	$1,877.27	$22,527.28	$1,118.43	$13,421.11	$2,813.56	$33,762.72
42C	2/2 (B)	1,151	139	$1,595,000	0.4424%	0.3977%	$943.72	$11,324.64	$183.59	$2,203.03	$1,892.18	$22,706.11	$1,127.31	$13,527.67	$2,835.90	$34,030.75
43C	2/2 (B)	1,242	118	$1,715,000	0.4745%	0.3872%	$1,012.27	$12,147.30	$196.92	$2,363.07	$2,029.64	$24,355.66	$1,209.20	$14,510.37	$3,041.91	$36,502.96
44C	2/2 (B)	1,242	118	$1,740,000	0.4833%	0.3961%	$1,031.07	$12,372.84	$200.58	$2,407.00	$2,067.32	$24,807.80	$1,231.65	$14,779.85	$3,098.39	$37,180.64
45C	2/2 (B)	1,242	118	$1,765,000	0.4920%	0.4050%	$1,049.65	$12,595.82	$204.19	$2,450.29	$2,104.57	$25,254.89	$1,253.84	$15,046.11	$3,154.23	$37,850.71

B = Balcony; T = Terrace; F = Fireplace; D = Duplex

SCHEDULE A

325 FIFTH AVENUE CONDOMINIUM

325 FIFTH AVENUE
NEW YORK, NY 10016

OFFERING PRICES AND RELATED INFORMATION
(1)

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE ANTICIPATED FIRST YEAR OF CONDOMINIUM OPERATION - SEPTEMBER 1, 2006 TO AUGUST 31, 2007

UNIT	NUMBER OF BEDROOMS/ BATHROOMS	APPROX. SQUARE FOOTAGE OF UNIT	APPROX. SQUARE FOOTAGE OF BALCONY AND/OR TERRACE	OFFERING PRICE	PERCENTAGE OF RESIDENTIAL COMMON INTEREST	PERCENTAGE OF COMMON INTEREST	ESTIMATED COMMON CHARGES		ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT		ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT		ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT		ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT	
							MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL
		(2)	(2)	(3)		(4)	(5)	(5)	(6)	(6)						
8D	1/1	687	0	$715,000	0.2172%	0.2150%	$463.44	$5,561.33	$90.15	$1,081.82	$929.21	$11,150.57	$553.60	$6,643.14	$1,392.66	$16,711.90
9D	1/1.5	899	0	$890,000	0.2765%	0.2778%	$589.80	$7,077.60	$114.74	$1,376.89	$1,182.56	$14,190.75	$704.54	$8,454.49	$1,772.36	$21,268.35
10D	1/1.5	899	0	$900,000	0.2800%	0.2850%	$597.23	$7,166.79	$116.19	$1,394.26	$1,197.47	$14,369.59	$713.42	$8,561.05	$1,794.70	$21,536.38
11D	1/1.5 (B)	899	139	$920,000	0.2867%	0.2649%	$615.81	$7,389.77	$119.80	$1,437.54	$1,234.72	$14,816.67	$735.61	$8,827.32	$1,850.54	$22,206.45
12D	1/1.5 (B)	899	139	$930,000	0.2922%	0.2685%	$623.25	$7,478.97	$121.24	$1,454.91	$1,249.63	$14,995.51	$744.49	$8,933.87	$1,872.87	$22,474.47
14D	1/1.5 (B)	899	139	$940,000	0.2956%	0.2721%	$630.68	$7,568.16	$122.69	$1,472.27	$1,264.53	$15,174.34	$753.37	$9,040.43	$1,895.21	$22,742.50
15D	1/1.5 (B)	899	139	$950,000	0.2991%	0.2757%	$638.11	$7,657.35	$124.14	$1,489.64	$1,279.43	$15,353.18	$762.25	$9,146.99	$1,917.54	$23,010.53
16D	1/1.5 (B)	899	139	$960,000	0.3026%	0.2793%	$645.55	$7,746.55	$125.58	$1,507.00	$1,294.33	$15,532.01	$771.13	$9,253.55	$1,939.88	$23,278.55
17D	1/1.5 (B)	899	139	$970,000	0.3061%	0.2829%	$652.98	$7,835.74	$127.03	$1,524.37	$1,309.24	$15,710.84	$780.01	$9,360.10	$1,962.22	$23,546.58
18D	1/1.5 (B)	899	139	$980,000	0.3096%	0.2865%	$660.41	$7,924.93	$128.48	$1,541.73	$1,324.14	$15,889.68	$788.89	$9,466.66	$1,984.55	$23,814.61
19D	1/1.5 (B)	899	139	$990,000	0.3131%	0.2937%	$667.84	$8,014.12	$129.91	$1,558.97	$1,339.04	$16,068.51	$797.76	$9,573.09	$2,006.89	$24,082.63
20D	1/1.5 (B)	899	139	$1,000,000	0.3165%	0.2973%	$675.28	$8,103.32	$131.36	$1,576.33	$1,353.95	$16,247.35	$806.64	$9,679.65	$2,029.22	$24,350.66
21D	1/1.5 (B)	899	139	$1,010,000	0.3200%	0.3009%	$682.71	$8,192.51	$132.81	$1,593.70	$1,368.85	$16,426.18	$815.52	$9,786.21	$2,051.56	$24,618.69
22D	1/1.5 (B)	899	139	$1,020,000	0.3235%	0.3045%	$690.14	$8,281.70	$134.26	$1,611.06	$1,383.75	$16,605.01	$824.40	$9,892.76	$2,073.89	$24,886.72
23D	1/1.5 (B)	899	139	$1,030,000	0.3270%	0.3081%	$697.57	$8,370.89	$135.70	$1,628.43	$1,398.65	$16,783.85	$833.28	$9,999.32	$2,096.23	$25,154.74
24D	1/1.5 (B)	899	139	$1,040,000	0.3305%	0.3117%	$705.01	$8,460.09	$137.15	$1,645.79	$1,413.56	$16,962.68	$842.16	$10,105.88	$2,118.56	$25,422.77
25D	1/1.5 (B)	899	139	$1,050,000	0.3340%	0.3153%	$712.44	$8,549.28	$138.60	$1,663.16	$1,428.46	$17,141.52	$851.04	$10,212.44	$2,140.90	$25,690.80
26D	2/2 (B)	1,280	142	$1,400,000	0.4528%	0.3807%	$966.02	$11,592.21	$187.93	$2,255.13	$1,936.88	$23,242.61	$1,153.94	$13,847.34	$2,902.90	$34,834.83
27D	2/2 (B)	1,280	142	$1,420,000	0.4563%	0.3843%	$973.45	$11,681.41	$189.37	$2,272.49	$1,951.79	$23,421.45	$1,162.82	$13,953.90	$2,925.24	$35,102.86
28D	2/2 (B)	1,280	142	$1,440,000	0.4598%	0.3879%	$980.88	$11,770.60	$190.82	$2,289.86	$1,966.69	$23,600.28	$1,171.70	$14,060.45	$2,947.57	$35,370.88
29D	2/2 (B)	1,280	142	$1,460,000	0.4633%	0.3915%	$988.32	$11,859.79	$192.26	$2,307.09	$1,981.59	$23,779.12	$1,180.57	$14,166.88	$2,969.91	$35,638.91
30D	2/2 (B)	1,280	142	$1,480,000	0.4668%	0.3951%	$995.75	$11,948.98	$193.70	$2,324.46	$1,996.50	$23,957.95	$1,189.45	$14,273.44	$2,992.24	$35,906.94
31D	2/2 (B)	1,280	142	$1,500,000	0.4703%	0.3987%	$1,003.18	$12,038.18	$195.15	$2,341.82	$2,011.40	$24,136.79	$1,198.33	$14,380.00	$3,014.58	$36,174.96
32D	2/2 (B)	1,280	142	$1,520,000	0.4737%	0.4023%	$1,010.61	$12,127.37	$196.60	$2,359.19	$2,026.30	$24,315.62	$1,207.21	$14,486.56	$3,036.92	$36,442.99
33D	2/2 (B)	1,280	142	$1,540,000	0.4772%	0.4059%	$1,018.05	$12,216.56	$198.05	$2,376.55	$2,041.20	$24,494.45	$1,216.09	$14,593.11	$3,059.25	$36,711.02
34D	2/2 (B)	1,280	142	$1,560,000	0.4807%	0.4095%	$1,025.48	$12,305.75	$199.49	$2,393.92	$2,056.11	$24,673.29	$1,224.97	$14,699.67	$3,081.59	$36,979.04
35D	2/2 (B)	1,280	142	$1,580,000	0.4842%	0.4131%	$1,032.91	$12,394.95	$200.94	$2,411.28	$2,071.01	$24,852.12	$1,233.85	$14,806.23	$3,103.92	$37,247.07
36D	2/2 (B)	1,280	142	$1,600,000	0.4877%	0.4167%	$1,040.34	$12,484.14	$202.39	$2,428.65	$2,085.91	$25,030.96	$1,242.73	$14,912.79	$3,126.26	$37,515.10
37D	2/2 (B)	1,280	142	$1,620,000	0.4912%	0.4203%	$1,047.78	$12,573.33	$203.83	$2,446.01	$2,100.82	$25,209.79	$1,251.61	$15,019.34	$3,148.59	$37,783.12
38D	2/2 (B)	1,280	142	$1,840,000	0.4946%	0.4239%	$1,055.21	$12,662.52	$205.28	$2,463.38	$2,115.72	$25,388.62	$1,260.49	$15,125.90	$3,170.93	$38,051.15
39D	2/2 (B)	1,280	142	$1,660,000	0.4981%	0.4275%	$1,062.64	$12,751.72	$206.72	$2,480.61	$2,130.62	$25,567.46	$1,269.36	$15,232.33	$3,193.26	$38,319.18
40D	2/2 (B)	1,280	142	$1,880,000	0.5016%	0.4311%	$1,070.08	$12,840.91	$208.16	$2,497.98	$2,145.52	$25,746.29	$1,278.24	$15,338.89	$3,215.60	$38,587.20
41D	2/2 (B)	1,280	142	$1,700,000	0.5051%	0.4347%	$1,077.51	$12,930.10	$209.61	$2,515.34	$2,160.43	$25,925.13	$1,287.12	$15,445.44	$3,237.94	$38,855.23
42D	2/2 (B)	1,280	142	$1,720,000	0.5086%	0.4383%	$1,084.94	$13,019.30	$211.06	$2,532.71	$2,175.33	$26,103.96	$1,296.00	$15,552.00	$3,260.27	$39,123.26
43D	3/3 (B,T)	1,643	280	$2,600,000	0.6525%	0.5361%	$1,391.96	$16,703.55	$270.79	$3,249.47	$2,790.92	$33,490.98	$1,662.75	$19,953.02	$4,182.88	$50,194.53
44D	2/2 (B)	1,338	150	$1,900,000	0.5237%	0.4281%	$1,117.20	$13,406.36	$217.33	$2,608.00	$2,240.01	$26,880.08	$1,334.53	$16,014.36	$3,357.20	$40,286.43
45D	2/2 (B)	1,214	150	$1,750,000	0.4714%	0.3893%	$1,005.63	$12,067.51	$195.63	$2,347.52	$2,016.30	$24,195.62	$1,201.25	$14,415.04	$3,021.93	$36,263.13

B = Balcony; T = Terrace; F = Fireplace; D = Duplex

SCHEDULE A

325 FIFTH AVENUE CONDOMINIUM

325 FIFTH AVENUE
NEW YORK, NY 10016

OFFERING PRICES AND RELATED INFORMATION
(1)

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE ANTICIPATED FIRST YEAR OF CONDOMINIUM OPERATION - SEPTEMBER 1, 2006 TO AUGUST 31, 2007

UNIT	NUMBER OF BEDROOMS/ BATHROOMS	APPROX. SQUARE FOOTAGE OF UNIT (2)	APPROX. SQUARE FOOTAGE OF BALCONY AND/OR TERRACE (2)	OFFERING PRICE (3)	PERCENTAGE OF RESIDENTIAL COMMON INTEREST	PERCENTAGE OF COMMON INTEREST (4)	ESTIMATED COMMON CHARGES MONTHLY (5)	ESTIMATED COMMON CHARGES ANNUAL (5)	ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT MONTHLY (6)	ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT ANNUAL (6)	ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT MONTHLY	ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT ANNUAL	ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT MONTHLY	ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT ANNUAL	ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT MONTHLY	ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT ANNUAL
8E	1/1	688	0	$680,000	0.1982%	0.1865%	$422.80	$5,073.59	$82.25	$986.96	$847.72	$10,172.69	$505.05	$6,060.55	$1,270.52	$15,246.28
9E	1/1	687	0	$725,000	0.2121%	0.1898%	$452.53	$5,430.37	$88.03	$1,056.42	$907.34	$10,888.02	$540.57	$6,486.78	$1,359.87	$16,318.39
10E	1/1	687	0	$735,000	0.2156%	0.1934%	$459.96	$5,519.56	$89.48	$1,073.78	$922.24	$11,066.86	$549.45	$6,593.34	$1,382.20	$16,586.41
11E	1/1	687	0	$745,000	0.2191%	0.1970%	$467.40	$5,608.75	$90.93	$1,091.15	$937.14	$11,245.69	$558.32	$6,699.90	$1,404.54	$16,854.44
12E	1/1	687	0	$755,000	0.2226%	0.2006%	$474.83	$5,697.94	$92.38	$1,108.51	$952.04	$11,424.52	$567.20	$6,806.46	$1,426.87	$17,122.47
14E	1/1	687	0	$765,000	0.2261%	0.2042%	$482.26	$5,787.14	$93.81	$1,125.75	$966.95	$11,603.36	$576.07	$6,912.88	$1,449.21	$17,390.49
15E	1/1	687	0	$785,000	0.2296%	0.2078%	$489.69	$5,876.33	$95.26	$1,143.11	$981.85	$11,782.19	$584.95	$7,019.44	$1,471.54	$17,658.52
16E	1/1	687	0	$795,000	0.2330%	0.2114%	$497.13	$5,965.52	$96.71	$1,160.48	$996.75	$11,961.03	$593.83	$7,126.00	$1,493.88	$17,926.55
17E	1/1	687	0	$805,000	0.2365%	0.2150%	$504.56	$6,054.71	$98.15	$1,177.84	$1,011.66	$12,139.86	$602.71	$7,232.56	$1,516.21	$18,194.57
18E	1/1	687	0	$825,000	0.2400%	0.2186%	$511.99	$6,143.91	$99.60	$1,195.21	$1,026.56	$12,318.70	$611.59	$7,339.11	$1,538.55	$18,462.60
19E	1/1	687	0	$835,000	0.2435%	0.2222%	$519.42	$6,233.10	$101.05	$1,212.57	$1,041.46	$12,497.53	$620.47	$7,445.67	$1,560.89	$18,730.63
20E	1/1	687	0	$845,000	0.2470%	0.2258%	$526.86	$6,322.29	$102.49	$1,229.94	$1,056.36	$12,676.36	$629.35	$7,552.23	$1,583.22	$18,998.66
21E	1/1	687	0	$855,000	0.2505%	0.2294%	$534.29	$6,411.48	$103.94	$1,247.30	$1,071.27	$12,855.20	$638.23	$7,658.79	$1,605.56	$19,266.68
22E	1/1	687	0	$865,000	0.2539%	0.2330%	$541.72	$6,500.68	$105.39	$1,264.67	$1,086.17	$13,034.03	$647.11	$7,765.35	$1,627.89	$19,534.71
23E	1/1	687	0	$875,000	0.2574%	0.2366%	$549.16	$6,589.87	$106.83	$1,281.90	$1,101.07	$13,212.87	$655.98	$7,871.77	$1,650.23	$19,802.74
24E	1/1	687	0	$885,000	0.2609%	0.2402%	$556.59	$6,679.06	$108.27	$1,299.27	$1,115.98	$13,391.70	$664.86	$7,978.33	$1,672.56	$20,070.76
25E	1/1	687	0	$895,000	0.2644%	0.2438%	$564.02	$6,768.25	$109.72	$1,316.63	$1,130.88	$13,570.54	$673.74	$8,084.89	$1,694.90	$20,338.79
26E	1/1.5 (B)	886	86	$1,060,000	0.3066%	0.2539%	$654.08	$7,848.95	$127.25	$1,526.96	$1,311.44	$15,737.28	$781.33	$9,375.91	$1,965.52	$23,586.23
27E	1/1.5 (B)	886	86	$1,070,000	0.3101%	0.2575%	$661.51	$7,938.14	$128.68	$1,544.19	$1,326.34	$15,916.11	$790.19	$9,482.34	$1,987.85	$23,854.26
28E	1/1.5 (B)	886	86	$1,080,000	0.3136%	0.2611%	$668.94	$8,027.34	$130.13	$1,561.56	$1,341.25	$16,094.95	$799.07	$9,588.90	$2,010.19	$24,122.29
29E	1/1.5 (B)	886	86	$1,090,000	0.3171%	0.2647%	$676.38	$8,116.53	$131.58	$1,578.92	$1,356.15	$16,273.78	$807.95	$9,695.45	$2,032.53	$24,390.31
30E	1/1.5 (B)	886	86	$1,100,000	0.3205%	0.2683%	$683.81	$8,205.72	$133.02	$1,596.29	$1,371.05	$16,452.62	$816.83	$9,802.01	$2,054.86	$24,658.34
31E	1/1.5 (B)	886	86	$1,110,000	0.3240%	0.2719%	$691.24	$8,294.92	$134.47	$1,613.65	$1,385.95	$16,631.45	$825.71	$9,908.57	$2,077.20	$24,926.37
32E	1/1.5 (B)	886	86	$1,120,000	0.3275%	0.2755%	$698.68	$8,384.11	$135.92	$1,631.02	$1,400.86	$16,810.29	$834.59	$10,015.13	$2,099.53	$25,194.39
33E	1/1.5 (B)	886	86	$1,130,000	0.3310%	0.2791%	$706.11	$8,473.30	$137.37	$1,648.36	$1,415.76	$16,989.12	$843.47	$10,121.69	$2,121.87	$25,462.42
34E	1/1.5 (B)	666	86	$1,140,000	0.3345%	0.2627%	$713.54	$8,562.49	$138.81	$1,665.75	$1,430.66	$17,167.95	$852.35	$10,228.24	$2,144.20	$25,730.45
35E	1/1.5 (B)	886	86	$1,150,000	0.3380%	0.2863%	$720.97	$8,651.69	$140.26	$1,683.11	$1,445.57	$17,346.79	$861.23	$10,334.80	$2,166.54	$25,998.47
36E	1/1.5 (B)	886	86	$1,160,000	0.3414%	0.2899%	$728.41	$8,740.88	$141.70	$1,700.35	$1,460.47	$17,525.62	$870.10	$10,441.23	$2,186.86	$26,266.50
37E	1/1.5 (B)	886	86	$1,170,000	0.3449%	0.2935%	$735.84	$8,830.07	$143.14	$1,717.72	$1,475.37	$17,704.46	$878.98	$10,547.79	$2,211.21	$26,534.53
38E	1/1.5 (B)	886	86	$1,180,000	0.3484%	0.2971%	$743.27	$8,919.26	$144.59	$1,735.08	$1,490.27	$17,883.29	$887.86	$10,654.34	$2,233.55	$26,802.55
39E	1/1.5 (B)	886	86	$1,190,000	0.3519%	0.3007%	$750.70	$9,008.46	$146.04	$1,752.45	$1,505.18	$18,062.12	$896.74	$10,760.90	$2,255.88	$27,070.58
40E	1/1.5 (B)	886	86	$1,200,000	0.3554%	0.3043%	$758.14	$9,097.65	$147.48	$1,769.81	$1,520.08	$18,240.96	$905.62	$10,867.46	$2,278.22	$27,338.61
41E	1/1.5 (B)	886	86	$1,210,000	0.3589%	0.3079%	$765.57	$9,186.84	$148.93	$1,787.18	$1,534.98	$18,419.79	$914.50	$10,974.02	$2,300.55	$27,606.63
42E	1/1.5 (B)	886	86	$1,220,000	0.3624%	0.3115%	$773.00	$9,276.03	$150.38	$1,804.54	$1,549.89	$18,598.63	$923.38	$11,080.57	$2,322.89	$27,874.66

B = Balcony; T = Terrace; F = Fireplace; D = Duplex

SCHEDULE A

325 FIFTH AVENUE CONDOMINIUM

325 FIFTH AVENUE
NEW YORK, NY 10016

OFFERING PRICES AND RELATED INFORMATION
(1)

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE ANTICIPATED FIRST YEAR OF CONDOMINIUM OPERATION - SEPTEMBER 1, 2006 TO AUGUST 31, 2007

UNIT	NUMBER OF BEDROOMS/ BATHROOMS	APPROX. SQUARE FOOTAGE OF UNIT (2)	APPROX. SQUARE FOOTAGE OF BALCONY AND/OR TERRACE (2)	OFFERING PRICE (3)	PERCENTAGE OF RESIDENTIAL COMMON INTEREST	PERCENTAGE OF COMMON INTEREST (4)	ESTIMATED COMMON CHARGES		ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT		ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT		ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT		ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT	
							MONTHLY (5)	ANNUAL (5)	MONTHLY (6)	ANNUAL (6)	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL
8F	3/3 (T)	1,775	1,544	$2,450,000	0.7017%	0.6763%	$1,496.63	$17,961.92	$291.19	$3,494.26	$3,001.17	$36,014.10	$1,786.02	$21,456.19	$4,498.00	$53,976.02
9F	1/1	688	0	$710,000	0.2086%	0.1865%	$445.10	$5,341.17	$86.59	$1,039.05	$892.43	$10,709.19	$531.69	$6,380.23	$1,337.53	$16,050.36
10F	1/1	688	0	$720,000	0.2121%	0.1901%	$452.53	$5,430.37	$88.03	$1,056.42	$907.34	$10,888.02	$540.57	$6,486.78	$1,359.87	$16,318.39
11F	1/1	688	0	$730,000	0.2156%	0.1937%	$459.96	$5,519.56	$89.48	$1,073.78	$922.24	$11,066.86	$549.45	$6,593.34	$1,382.20	$16,586.41
12F	1/1	688	0	$740,000	0.2191%	0.1973%	$467.40	$5,608.75	$90.93	$1,091.15	$937.14	$11,245.69	$558.32	$6,699.90	$1,404.54	$16,854.44
14F	1/1	688	0	$750,000	0.2226%	0.2009%	$474.83	$5,697.94	$92.38	$1,108.51	$952.04	$11,424.52	$567.20	$6,806.46	$1,426.87	$17,122.47
15F	1/1	688	0	$760,000	0.2261%	0.2045%	$482.26	$5,787.14	$93.81	$1,125.75	$966.95	$11,603.36	$576.07	$6,912.68	$1,449.21	$17,390.49
16F	1/1	688	0	$770,000	0.2296%	0.2081%	$489.69	$5,876.33	$95.26	$1,143.11	$981.85	$11,782.19	$584.95	$7,019.44	$1,471.54	$17,658.52
17F	1/1	688	0	$780,000	0.2330%	0.2117%	$497.13	$5,965.52	$96.71	$1,160.48	$996.75	$11,961.03	$593.83	$7,126.00	$1,493.88	$17,926.55
18F	1/1	688	0	$790,000	0.2365%	0.2189%	$504.56	$6,054.71	$98.15	$1,177.84	$1,011.66	$12,139.86	$602.71	$7,232.56	$1,516.21	$18,194.57
19F	1/1	688	0	$800,000	0.2400%	0.2225%	$511.99	$6,143.91	$99.60	$1,195.21	$1,026.56	$12,318.70	$611.59	$7,339.11	$1,538.55	$18,462.60
20F	1/1	688	0	$810,000	0.2435%	0.2261%	$519.42	$6,233.10	$101.05	$1,212.57	$1,041.46	$12,497.53	$620.47	$7,445.67	$1,560.89	$18,730.63
21F	1/1	688	0	$820,000	0.2470%	0.2297%	$526.86	$6,322.29	$102.49	$1,229.94	$1,056.36	$12,676.36	$629.35	$7,552.23	$1,583.22	$18,998.66
22F	1/1	688	0	$830,000	0.2505%	0.2333%	$534.29	$6,411.48	$103.94	$1,247.30	$1,071.27	$12,855.20	$638.23	$7,658.79	$1,605.56	$19,266.68
23F	1/1	688	0	$840,000	0.2539%	0.2369%	$541.72	$6,500.68	$105.39	$1,264.67	$1,086.17	$13,034.03	$647.11	$7,765.35	$1,627.89	$19,534.71
24F	1/1	688	0	$850,000	0.2574%	0.2405%	$549.16	$6,589.87	$106.83	$1,281.90	$1,101.07	$13,212.87	$655.98	$7,871.77	$1,650.23	$19,802.74
25F	1/1	688	0	$860,000	0.2609%	0.2441%	$556.59	$6,679.06	$108.27	$1,299.27	$1,115.98	$13,391.70	$664.86	$7,978.33	$1,672.56	$20,070.76
26F	2/2 (B)	1,221	150	$1,550,000	0.4355%	0.3853%	$929.09	$11,149.08	$180.75	$2,168.95	$1,862.85	$22,354.15	$1,109.84	$13,318.03	$2,791.94	$33,503.22
27F	2/2 (B)	1,221	150	$1,570,000	0.4390%	0.3889%	$936.52	$11,238.27	$182.18	$2,186.18	$1,877.75	$22,532.98	$1,118.70	$13,424.45	$2,814.27	$33,771.25
28F	2/2 (B)	1,221	150	$1,590,000	0.4425%	0.3925%	$943.96	$11,327.46	$183.63	$2,203.55	$1,892.65	$22,711.81	$1,127.58	$13,531.01	$2,836.61	$34,039.28
29F	2/2 (B)	1,221	150	$1,610,000	0.4460%	0.3961%	$951.39	$11,416.66	$185.08	$2,220.91	$1,907.55	$22,890.65	$1,136.46	$13,637.57	$2,858.94	$34,307.30
30F	2/2 (B)	1,221	150	$1,630,000	0.4495%	0.3997%	$958.82	$11,505.85	$186.52	$2,238.28	$1,922.46	$23,069.48	$1,145.34	$13,744.13	$2,881.28	$34,575.33
31F	2/2 (B)	1,221	150	$1,650,000	0.4529%	0.4033%	$966.25	$11,595.04	$187.97	$2,255.64	$1,937.36	$23,248.32	$1,154.22	$13,850.68	$2,903.61	$34,843.36
32F	2/2 (B)	1,221	150	$1,670,000	0.4564%	0.4069%	$973.69	$11,684.23	$189.42	$2,273.01	$1,952.26	$23,427.15	$1,163.10	$13,957.24	$2,925.95	$35,111.38
33F	2/2 (B)	1,221	150	$1,690,000	0.4599%	0.4105%	$981.12	$11,773.43	$190.86	$2,290.37	$1,967.17	$23,605.98	$1,171.98	$14,063.80	$2,948.28	$35,379.41
34F	2/2 (B)	1,221	150	$1,710,000	0.4634%	0.4141%	$988.55	$11,862.62	$192.31	$2,307.74	$1,982.07	$23,784.82	$1,180.86	$14,170.36	$2,970.62	$35,647.44
35F	2/2 (B)	1,221	150	$1,730,000	0.4669%	0.4177%	$995.98	$11,951.81	$193.76	$2,325.10	$1,996.97	$23,963.65	$1,189.74	$14,276.92	$2,992.96	$35,915.46
36F	2/2 (B)	1,221	150	$1,750,000	0.4704%	0.4213%	$1,003.42	$12,041.00	$195.19	$2,342.34	$2,011.87	$24,142.49	$1,198.61	$14,383.34	$3,015.29	$36,183.49
37F	2/2 (B)	1,221	150	$1,770,000	0.4738%	0.4249%	$1,010.85	$12,130.20	$196.64	$2,359.70	$2,026.78	$24,321.32	$1,207.49	$14,489.90	$3,037.63	$36,451.52
38F	2/2 (B)	1,221	150	$1,790,000	0.4773%	0.4285%	$1,018.28	$12,219.39	$198.09	$2,377.07	$2,041.68	$24,500.16	$1,216.37	$14,596.46	$3,059.96	$36,719.55
39F	2/2 (B)	1,221	150	$1,810,000	0.4808%	0.4321%	$1,025.72	$12,308.58	$199.54	$2,394.43	$2,056.58	$24,678.99	$1,225.25	$14,703.02	$3,082.30	$36,987.57
40F	2/2 (B)	1,221	150	$1,830,000	0.4843%	0.4357%	$1,033.15	$12,397.77	$200.98	$2,411.80	$2,071.49	$24,857.82	$1,234.13	$14,809.57	$3,104.63	$37,255.60
41F	2/2 (B)	1,221	150	$1,850,000	0.4878%	0.4393%	$1,040.58	$12,486.97	$202.43	$2,429.16	$2,086.39	$25,036.66	$1,243.01	$14,916.13	$3,126.97	$37,523.63
42F	2/2 (B)	1,221	150	$1,870,000	0.4913%	0.4429%	$1,048.01	$12,576.16	$203.88	$2,446.53	$2,101.29	$25,215.49	$1,251.89	$15,022.69	$3,149.30	$37,791.65

B = Balcony; T = Terrace; F = Fireplace; D = Duplex

SCHEDULE A

325 FIFTH AVENUE CONDOMINIUM

325 FIFTH AVENUE
NEW YORK, NY 10016

OFFERING PRICES AND RELATED INFORMATION
(1)

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE ANTICIPATED FIRST YEAR OF CONDOMINIUM OPERATION - SEPTEMBER 1, 2006 TO AUGUST 31, 2007

UNIT	NUMBER OF BEDROOMS/ BATHROOMS	APPROX. SQUARE FOOTAGE OF UNIT	APPROX. SQUARE FOOTAGE OF BALCONY AND/OR TERRACE	OFFERING PRICE	PERCENTAGE OF RESIDENTIAL COMMON INTEREST	PERCENTAGE OF COMMON INTEREST	ESTIMATED COMMON CHARGES		ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT		ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT		ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT		ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT	
							MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL
		(2)	(2)	(3)		(4)	(5)	(5)	(6)	(6)						
9G	1/1	816	0	$795,000	0.2538%	0.2266%	$541.49	$6,497.85	$105.34	$1,264.02	$1,085.69	$13,028.33	$646.82	$7,761.87	$1,627.18	$19,526.18
10G	1/1	816	0	$802,500	0.2573%	0.2302%	$548.92	$6,587.04	$106.78	$1,281.39	$1,100.60	$13,207.16	$655.70	$7,868.43	$1,649.52	$19,794.21
11G	1/1	816	0	$810,000	0.2608%	0.2338%	$556.35	$6,676.23	$108.23	$1,298.75	$1,115.50	$13,386.00	$664.58	$7,974.98	$1,671.85	$20,062.23
12G	1/1	816	0	$817,500	0.2643%	0.2374%	$563.79	$6,765.43	$109.68	$1,316.12	$1,130.40	$13,564.83	$673.46	$8,081.54	$1,694.19	$20,330.26
14G	1/1	816	0	$825,000	0.2678%	0.2410%	$571.22	$6,854.62	$111.12	$1,333.48	$1,145.31	$13,743.67	$682.34	$8,188.10	$1,716.52	$20,598.29
15G	1/1	816	0	$832,500	0.2712%	0.2446%	$578.65	$6,943.81	$112.57	$1,350.85	$1,160.21	$13,922.50	$691.22	$8,294.66	$1,738.86	$20,866.31
16G	1/1	816	0	$840,000	0.2747%	0.2482%	$586.08	$7,033.00	$114.02	$1,368.21	$1,175.11	$14,101.34	$700.10	$8,401.22	$1,761.20	$21,134.34
17G	1/1	816	0	$847,500	0.2782%	0.2518%	$593.52	$7,122.20	$115.46	$1,385.58	$1,190.01	$14,280.17	$708.98	$8,507.77	$1,783.53	$21,402.37
18G	1/1	816	0	$855,000	0.2817%	0.2590%	$600.95	$7,211.39	$116.90	$1,402.81	$1,204.92	$14,459.00	$717.85	$8,614.20	$1,805.87	$21,670.39
19G	1/1	816	0	$862,500	0.2852%	0.2626%	$608.38	$7,300.58	$118.35	$1,420.18	$1,219.82	$14,637.84	$726.73	$8,720.76	$1,828.20	$21,938.42
20G	1/1	816	0	$870,000	0.2887%	0.2662%	$615.81	$7,389.77	$119.80	$1,437.54	$1,234.72	$14,816.67	$735.61	$8,827.32	$1,850.54	$22,206.45
21G	1/1	816	0	$877,500	0.2922%	0.2698%	$623.25	$7,478.97	$121.24	$1,454.91	$1,249.63	$14,995.51	$744.49	$8,933.87	$1,872.87	$22,474.47
22G	1/1	816	0	$885,000	0.2956%	0.2734%	$630.68	$7,568.16	$122.69	$1,472.27	$1,264.53	$15,174.34	$753.37	$9,040.43	$1,895.21	$22,742.50
23G	1/1	816	0	$892,500	0.2991%	0.2770%	$638.11	$7,657.35	$124.14	$1,489.64	$1,279.43	$15,353.18	$762.25	$9,146.99	$1,917.54	$23,010.53
24G	1/1	816	0	$900,000	0.3026%	0.2806%	$645.55	$7,746.55	$125.58	$1,507.00	$1,294.33	$15,532.01	$771.13	$9,253.55	$1,939.88	$23,278.55
25G	1/1	816	0	$907,500	0.3061%	0.2842%	$652.98	$7,835.74	$127.03	$1,524.37	$1,309.24	$15,710.84	$780.01	$9,360.10	$1,962.22	$23,546.58
9H	2/2	1198	0	$1,220,000	0.3880%	0.3713%	$827.65	$9,931.76	$161.02	$1,932.19	$1,659.45	$19,913.45	$988.66	$11,863.95	$2,487.10	$29,845.21
10H	2/2	1198	0	$1,240,000	0.3915%	0.3749%	$835.08	$10,020.96	$162.46	$1,949.55	$1,674.36	$20,092.28	$997.54	$11,970.51	$2,509.44	$30,113.24
11H	2/2	1198	0	$1,260,000	0.3949%	0.3785%	$842.51	$10,110.15	$163.91	$1,966.92	$1,689.26	$20,271.12	$1,006.42	$12,077.07	$2,531.77	$30,381.26
12H	2/2 (B)	1198	150	$1,290,000	0.4036%	0.3735%	$861.09	$10,333.13	$167.53	$2,010.33	$1,726.52	$20,718.20	$1,028.62	$12,343.46	$2,587.61	$31,051.33
14H	2/2 (B)	1198	150	$1,310,000	0.4071%	0.3771%	$868.53	$10,422.32	$168.97	$2,027.69	$1,741.42	$20,897.04	$1,037.50	$12,450.02	$2,609.95	$31,319.36
15H	2/2 (B)	1198	150	$1,330,000	0.4106%	0.3807%	$875.96	$10,511.52	$170.41	$2,044.93	$1,756.32	$21,075.87	$1,046.37	$12,556.45	$2,632.28	$31,587.39
16H	2/2 (B)	1198	150	$1,350,000	0.4141%	0.3843%	$883.39	$10,600.71	$171.86	$2,062.30	$1,771.23	$21,254.70	$1,055.25	$12,663.00	$2,654.62	$31,855.41
17H	2/2 (B)	1198	150	$1,370,000	0.4176%	0.3879%	$890.83	$10,689.90	$173.31	$2,079.66	$1,786.13	$21,433.54	$1,064.13	$12,769.56	$2,676.95	$32,123.44
18H	2/2 (B)	1198	150	$1,390,000	0.4211%	0.3951%	$898.26	$10,779.09	$174.75	$2,097.03	$1,801.03	$21,612.37	$1,073.01	$12,876.12	$2,699.29	$32,391.47
19H	2/2 (B)	1198	150	$1,410,000	0.4246%	0.3915%	$905.69	$10,868.29	$176.20	$2,114.39	$1,815.93	$21,791.21	$1,081.89	$12,982.68	$2,721.62	$32,659.49
20H	2/2 (B)	1198	150	$1,430,000	0.4280%	0.3735%	$913.12	$10,957.48	$177.65	$2,131.76	$1,830.84	$21,970.04	$1,090.77	$13,089.23	$2,743.96	$32,927.52
21H	2/2 (B)	1198	150	$1,450,000	0.4315%	0.3771%	$920.56	$11,046.67	$179.09	$2,149.12	$1,845.74	$22,148.87	$1,099.65	$13,195.79	$2,766.30	$33,195.55
22H	2/2 (B)	1198	150	$1,470,000	0.4350%	0.3807%	$927.99	$11,135.86	$180.54	$2,166.49	$1,860.64	$22,327.71	$1,108.53	$13,302.35	$2,788.63	$33,463.57
23H	2/2 (B)	1198	150	$1,490,000	0.4385%	0.3879%	$935.42	$11,225.06	$181.99	$2,183.85	$1,875.55	$22,506.54	$1,117.41	$13,408.91	$2,810.97	$33,731.60
24H	2/2 (B)	1198	150	$1,510,000	0.4420%	0.3915%	$942.85	$11,314.25	$183.43	$2,201.22	$1,890.45	$22,685.38	$1,126.29	$13,515.46	$2,833.30	$33,999.63
25H	2/2 (B)	1198	150	$1,530,000	0.4455%	0.3951%	$950.29	$11,403.44	$184.87	$2,218.45	$1,905.35	$22,864.21	$1,135.16	$13,621.89	$2,855.64	$34,267.65
PH46A	3/3.5 (B,T,F,D)	2983	944	$4,900,000	1.2176%	0.9307%	$2,597.48	$31,169.71	$505.31	$6,063.78	$5,208.03	$62,496.33	$3,102.79	$37,233.49	$7,805.50	$93,666.04
PH46B	3/3.5 (T,F,D)	2389	269	$3,900,000	0.9400%	0.6920%	$2,005.28	$24,063.35	$390.11	$4,681.31	$4,020.65	$48,247.78	$2,395.39	$28,744.66	$6,025.93	$72,311.13
PH46C	3/2.5 (T,F,D)	2940	328	$4,925,000	1.1878%	0.8692%	$2,533.90	$30,406.85	$492.95	$5,915.39	$5,080.55	$60,966.65	$3,026.85	$36,322.25	$7,614.46	$91,373.50

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SCHEDULE A

325 FIFTH AVENUE CONDOMINIUM

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OFFERING PRICES AND RELATED INFORMATION
(1)

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE ANTICIPATED FIRST YEAR OF CONDOMINIUM OPERATION - SEPTEMBER 1, 2006 TO AUGUST 31, 2007

UNIT	NUMBER OF BEDROOMS/ BATHROOMS	APPROX. SQUARE FOOTAGE OF UNIT (2)	APPROX. SQUARE FOOTAGE OF BALCONY AND/OR TERRACE (2)	OFFERING PRICE (3)	PERCENTAGE OF RESIDENTIAL COMMON INTEREST	PERCENTAGE OF COMMON INTEREST (4)	ESTIMATED COMMON CHARGES MONTHLY (5)	ESTIMATED COMMON CHARGES ANNUAL (5)	ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT MONTHLY (6)	ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT ANNUAL (6)	ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT MONTHLY	ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT ANNUAL	ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT MONTHLY	ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT ANNUAL	ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT MONTHLY	ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT ANNUAL
Storage Units																
S1	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S2	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S3	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S4	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S5	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S6	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S7	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S8	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S9	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S10	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S11	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S12	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S13	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S14	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S15	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S16	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S17	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S18	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S19	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S20	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S21	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S22	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S23	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S24	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S25	NA	48	NA	$24,000	0.0084%	0.0075%	$17.84	$214.06	$3.47	$41.60	$35.77	$429.20	$21.31	$255.66	$53.61	$643.26
S26	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S27	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S28	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S29	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S30	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S31	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S32	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S33	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S34	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S35	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S36	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S37	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S38	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04

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(1)

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE ANTICIPATED FIRST YEAR OF CONDOMINIUM OPERATION - SEPTEMBER 1, 2006 TO AUGUST 31, 2007

UNIT	NUMBER OF BEDROOMS/ BATHROOMS	APPROX. SQUARE FOOTAGE OF UNIT (2)	APPROX. SQUARE FOOTAGE OF BALCONY AND/OR TERRACE (2)	OFFERING PRICE (3)	PERCENTAGE OF RESIDENTIAL COMMON INTEREST	PERCENTAGE OF COMMON INTEREST (4)	ESTIMATED COMMON CHARGES MONTHLY (5)	ESTIMATED COMMON CHARGES ANNUAL (5)	ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT MONTHLY (6)	ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT ANNUAL (6)	ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT MONTHLY	ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT ANNUAL	ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT MONTHLY	ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT ANNUAL	ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT MONTHLY	ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT ANNUAL
S39	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S40	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S41	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S42	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S43	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S44	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S45	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S46	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S47	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S48	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S49	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S50	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S51	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S52	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S53	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S54	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S55	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S56	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S57	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S58	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S59	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S60	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S61	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S62	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S63	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S64	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S65	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S66	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S67	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S68	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S69	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S70	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S71	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S72	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S73	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S74	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S75	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S76	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S77	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03

B = Balcony; T = Terrace; F = Fireplace; D = Duplex

SCHEDULE A

325 FIFTH AVENUE CONDOMINIUM

325 FIFTH AVENUE
NEW YORK, NY 10016

OFFERING PRICES AND RELATED INFORMATION
(1)

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE ANTICIPATED FIRST YEAR OF CONDOMINIUM OPERATION - SEPTEMBER 1, 2006 TO AUGUST 31, 2007

UNIT	NUMBER OF BEDROOMS/ BATHROOMS	APPROX. SQUARE FOOTAGE OF UNIT	APPROX. SQUARE FOOTAGE OF BALCONY AND/OR TERRACE	OFFERING PRICE	PERCENTAGE OF RESIDENTIAL COMMON INTEREST	PERCENTAGE OF COMMON INTEREST	ESTIMATED COMMON CHARGES		ESTIMATED REAL ESTATE TAXES WITH 421-A ABATEMENT		ESTIMATED REAL ESTATE TAXES WITHOUT 421-A ABATEMENT		ESTIMATED TOTAL CARRYING CHARGES WITH 421-A ABATEMENT		ESTIMATED TOTAL CARRYING CHARGES WITHOUT 421-A ABATEMENT	
							MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL
		(2)	(2)	(3)		(4)	(5)	(5)	(6)	(6)						
S78	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S79	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S80	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S81	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S82	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S83	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S84	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S85	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S86	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S87	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S88	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S89	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S90	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S91	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S92	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S93	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S94	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S95	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S96	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S97	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S98	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S99	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S100	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
S101	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S102	NA	25	NA	$12,500	0.0044%	0.0039%	$9.29	$111.49	$1.80	$21.64	$18.63	$223.54	$11.09	$133.13	$27.92	$335.03
S103	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S104	NA	30	NA	$15,000	0.0052%	0.0047%	$11.15	$133.79	$2.17	$26.05	$22.35	$268.25	$13.32	$159.84	$33.50	$402.04
S105	NA	35	NA	$17,500	0.0061%	0.0055%	$13.01	$156.09	$2.53	$30.32	$26.08	$312.96	$15.53	$186.41	$39.09	$469.05
Total Residential & Storage	355 Units	280,374	25,747	$335,021,500	100.0000%	88.9922%	$213,327.50	$2,559,930.00	$41,499.80	$497,997.65	$427,726.59	$5,132,719.08	$254,827.30	$3,057,927.66	$641,054.09	$7,692,649.08
Commercial Unit 1	NA	5,882	NA	NA	NA	1.8409%	$1,681.42	$20,177.00	NA	NA	NA	NA	NA	NA	NA	NA
Commercial Unit 2	NA	29,290	NA	NA	NA	9.1669%	$8,372.92	$100,475.00	NA	NA	NA	NA	NA	NA	NA	NA
Commercial Total	NA	35,172	NA	NA	NA	11.0078%	$10,054.33	$120,652.00	NA	NA	NA	NA	NA	NA	NA	NA
Grand Totals		315,548	25,747	$335,021,500	100.0000%	100.0000%	$223,381.83	$2,680,582.00	$41,499.80	$497,997.65	$427,726.59	$5,132,719.08	$254,827.30	$3,057,927.66	$641,054.09	$7,692,649.08

B = Balcony; T = Terrace; F = Fireplace; D = Duplex

NOTES TO SCHEDULE A

(1) Amounts are projected on the assumption that the First Year of Condominium Operation will be the year from September 1, 2006 to August 31, 2007. The actual First Year of Condominium Operation may begin earlier or later than that year.

(2) Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Residential Unit in question. However, any material change will be set forth in an amendment to the Plan, and no material adverse change (for example, a reduction in square footage in excess of 5% will be made in the size (i.e., decrease), configuration, or layout of a Unit for which an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's control, and where no practicable alternative (in the exercise of sound construction management practices) exists), and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchasers, offer the materially adversely affected Purchaser(s) the right, for at least 15 days, to rescind their Agreements and receive a refund of their Deposits, together with all interest earned thereon. An increase in the size of a room or Unit will not on its own give rise to a right of rescission. (See also Section H, "Changes in Prices and Units" in Part I of the Plan for further details concerning and certain limitations applicable to Sponsor's rights with respect to changes in the construction of the Units and the Common Elements.)

The approximate square foot area of each Unit is measured horizontally on each floor from the exterior side of the glass or the exterior walls, at the Building line and/or Property line to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the midpoint of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements. Columns and mechanical pipes (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Units. Measured vertically, each Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab above. Any Common Elements located within or appurtenant to any Unit shall not be considered as part of that Unit.* The square foot areas determined using the methodology set forth

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* Each Residential and Commercial Unit includes, and each Residential and Commercial Unit Owner shall be responsible for, all fixtures, equipment and other items of personalty, including, without limitation, all plumbing and heating fixtures and equipment, and other appliances as may be contained in, affixed, attached or appurtenant to such Residential Unit, other than as may constitute part of the Common Elements. Plumbing and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Residential Unit Owner may install within a wall or ceiling, or under the floor, but shall not include water or other pipes, conduits, (footnote continued)

above, as shown in Schedule A in Part I of the Plan, would be different from that derived by using an alternative methodology of measuring from interior surfaces to interior surfaces (which would yield lesser actual useable floor area for each Unit). The stated method of measurement used is applicable to all Units. The room count for each Residential Unit was determined by Sponsor's architect in accordance with industry practice for new construction condominiums and does not necessarily conform to the zoning room count or the method utilized by the Real Estate Board of New York.

(3) Sponsor has reserved the right to change the purchase prices (as well as other terms of sale) of Units not subject to executed Agreements, so Purchasers may pay different prices for similar Units. (See "Changes in Prices and Units" in Section H below for further discussion.) In addition to paying the purchase prices of their Units, purchasers will be responsible for paying certain closing adjustments and closing costs, including, without limitation, the obligation to contribute to the Working Capital Fund. Purchasers are advised to consult with their attorneys as to the exact closing costs they will incur in purchasing their Residential Units. (See "Unit Closing Costs and Adjustments" in Section N below for further discussion.)

(4) The Common Interest of each Unit has been determined, pursuant to Section 339-i(1)(iv) of the Condominium Act. In accordance with such method of calculation, the Common Interests have been determined based primarily upon a comparison of the floor areas of the Units, 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 the Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The aggregate Common Interests of all of the Units equals 100%.

(5) These projections have been based upon the projections contained in "Projected Budget for First Year of Condominium Operation -- Schedule B" (set forth in Section E below), which were made based on the assumption that the First Year of Condominium Operation will be from September 1, 2006 to August 31, 2007. The actual first year of operation may be earlier or later. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by 25% or more, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period, if the Plan has been declared effective) the right to rescind their Agreements within not less than 15 days after the presentation date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their Deposit and any interest accrued thereon returned.

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wiring or ductwork within the walls, ceiling or floors. Except as otherwise expressly set forth herein, each Residential Unit shall also include all lighting and electrical fixtures and appliances within the Residential Unit and any special equipment, fixtures or facilities affixed, attached or appurtenant to the Residential Unit to the extent located within such Residential Unit and serving or benefiting only that Residential Unit.

As discussed in "Available Services and Facilities" in Section B above and in Special Risks #7 and #8, the full range of services and facilities described in this Plan may not be provided until move-ins are finished and construction work within and on the Building is completed. To the extent that any service or facility provided during such interim period benefits particular Residential Units, to the exclusion of other Residential Units, and the cost of the same is readily identifiable, the Common Charges necessary to provide such service or facility will be borne exclusively by the owners of the benefited Residential Units, in proportion to their respective Common Interests.

The amount of the Common Charges necessary to defray the cost of the interim services and facilities described in the preceding paragraph, as well as the manner of allocating such Common Charges among any Residential Unit Owners who are exclusively benefited by any of the same, will be determined by the Board, which will be controlled by Sponsor during such period. However, such allocation will be made in compliance with Section 339-m of the New York State Real Property Law, and in no event will Purchasers be assessed Common Charges during such interim period that are more than the Common Charges listed in Schedule A as the same may theretofore have been amended.

In addition to the payment of Common Charges, each Unit Owner will incur additional expenses for, among other things:

(a) mortgage payments under any loan or loans obtained to finance the purchase of the Unit;

(b) the cost of electricity supplied to the Unit, which will be separately metered and payable as and when billed;

(c) the cost of interior repairs, compliance with Legal Requirements and maintenance, painting and decoration in, to or of, the Unit, including, without limitation, the equipment and appliances contained in the same, and any appurtenant Limited Common Elements;

(d) the cost of any insurance that the Unit Owner may be required to (or desire to) carry covering the furniture, belongings, equipment and other personal property in the Unit, as well as the cost of any insurance the Unit Owner may be required to carry covering liability to others for personal injury or property damage as a result of occurrences in the Unit;

(e) telephone, internet access and cable television charges; and

(f) real estate taxes (see footnote 6 below).

(6) The projection of the real estate taxes that will be payable for each of the Units during the projected First Year of Condominium Operation is based upon an opinion letter prepared by Metropolitan Valuation Services, Sponsor's real estate tax appraiser and takes into account the following assumptions and projections:

(a) a projected assessed value for Building for the 2003/2004 tax year of approximately $4,218,300, which is based upon partial construction of the Building;

(b) a projected assessed value for Building for the 2006/2007 tax year of approximately $43,476,290, which is based upon assessment following substantial completion of construction of the Building;

(c) an assumed tax rate of $12.959 per $100 of assessed valuation for the Residential Units for the 2006/2007 tax year.

After the City of New York assesses each Unit as a separate tax lot and bills each Unit Owner, the Unit Owner will be responsible for paying the real estate taxes and assessments imposed against his or her Unit, and no Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to any lien arising from the non-payment of, taxes and assessments imposed on other Units.

No warranty, guaranty or assurance is given that:

(i) any projected or estimated amount set forth above (including, without limitation, the estimates of the Property's assessed valuations during the First Year of Condominium Operation, the estimates of the portions of such assessed valuations that will be allocable to the Units and the projection of the average real estate tax rate that will be in effect during such First Year of Condominium Operation and the rate of construction progress on January 5, 2006, which will affect the real estate taxes payable for the 2006/2007 tax year) will approximate the actual amount;

(ii) the New York City Real Estate Tax Assessment Bureau will allocate the Property's aggregate assessed valuation between the Units in accordance with the values used by Metropolitan Valuation Services for such purpose, or that such bureau will allocate the aggregate assessed valuation attributable to the Units among the different Units as described above; or

(iii) any of the projections or estimates made above and in Schedule A are accurate.

Until the Units are separately assessed, each Unit Owner will pay to the Board his or her Unit's pro rata share of the Property's real estate taxes for the period in question. This proration will be made by first allocating the Property's taxes among the basic classifications of Units on the basis of approximately 91.1% to the Residential and Storage Units; and 8.9% to the Commercial Units; and then to each Residential Unit and Storage Unit on the basis of their Residential Common Interest as set forth in Schedule A. The Board will pay such real estate taxes to the Department of Finance of The City of New York or directly to Sponsor if Sponsor has paid such real estate taxes. If any Unit Owner fails to pay his or her pro rata share as set forth above, the Board will be entitled to assess late charges and/or place a lien on such Unit as if such unpaid share were Common Charges. (See "Collection and Lien for Non-Payment of Common Charges" in Part I, Section R for further discussion.) At such time as a Unit is separately assessed and

separate tax bills are issued, the Unit Owner will pay such taxes directly to the taxing authority.

There is no assurance, warranty or representation whatsoever that the proration of taxes described in the paragraph above will equal the actual amount or allocation of real estate taxes which will be assessed against the Units, and the actual amounts may vary considerably from the method set forth above. Sponsor will amend the Plan to disclose the actual amount of real estate taxes assessed against the Units promptly after the same are assessed.

In the opinion of Sponsor's Counsel, the tax laws existing on the date of this Plan in general permit, subject to certain limitations, a Residential Unit Owner who itemizes his or her deductions to deduct from income for the purposes of Federal, New York State and New York City income taxes, any real estate taxes actually paid by such Residential Unit Owner with respect to his or her Residential Unit. However, the amount of such deductions may vary from year to year due to changes in the amount of the real estate taxes payable by the Residential Unit Owner (which might result from changes in the assessed valuation of the Residential Unit, in the tax rate and/or in the manner of assessing real property). Prospective Purchasers should refer to "Income Tax Deductions to Residential Unit Owners and Tax Status of Condominium" in Section U below, as well as to the "Opinion of Counsel" in Section V below, for further discussion.

Sponsor intends to apply for partial exemption from real estate taxes with respect to the Building pursuant to Section 421-a of the New York State Real Property Tax Law. Pursuant to Section 421-a, the real estate tax estimate for the First Year of Condominium Operations will be based upon the assessed valuation of the Property in the tax year prior to the commencement of construction. During the tax year prior to the commencement of construction (2003/2004), the taxable assessed valuation of the entire property was $4,218,300, of which $3,842,871 was considered applicable to the Residential and Storage portion of the Building according to Metropolitan Valuation Services, Sponsor's real estate tax consultant. Applying a tax rate of 12.959% (the tax rate projected by Sponsor's real estate tax appraiser for the 2006/2007 tax year) to the portion of such prior total assessed value assumed by Sponsor's real estate tax appraiser as applicable to the Residential and Storage portion of the Building, results in an initial "mini-tax" of $497,997.65 with respect to the Residential Units and Storage Units.

Please refer to the Section of the Plan entitled "Real Estate Taxes" and the opinion of Seiden & Schein, Sponsor's 421-a Counsel, as set forth in Part I of the Plan for further discussion regarding real estate taxes and benefits under the Section 421-a program.

E. SCHEDULE B

325 Fifth Avenue Condominium
Projected Budget for First Year of Condominium Operation (See Note 1)
September 1, 2006 to August 31, 2007

ESTIMATED INCOME

Common Charges -- Residential and Storage (Note 2)	$2,559,930
Common Charges -- Commercial Unit 1 (Note 2)	20,177
Common Charges -- Commercial Unit 2 (Note 2)	100,475
Total Estimated Common Charges	$2,680,582

ESTIMATED EXPENSES (Note 3)

Payroll and Related Expenses (Note 4)	$ 852,070
Electricity (Note 5)	$ 433,400
Gas (Cooking) (Note 6)	$ 30,888
Steam (Note 7)	$ 307,200
Water Charges and Sewer Rent (Note 8)	$ 104,016
Repairs, Supplies and Maintenance (Note 9)	$ 70,000
Service Contracts (Note 10)	$ 144,700
Insurance (Note 11)	$ 211,625
Management Fee (Note 12)	$ 80,000
Legal and Audit Fees (Note 13)	$ 17,500
Resident Managers Unit (Note 14)	$ 87,083
Club Floor (Note 15)	$ 269,850
Reserve for Contingencies (Note 16)	$ 50,000
Other Expenses (Note 17)	$ 22,250
Total (Note 18)	$2,680,582

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

Attachment B

ALLOCATION OF COMMON CHARGES BETWEEN COMMERCIAL AND RESIDENTIAL

(see also detailed notes which follow)

Common Charges	Total Expenses	Residential Expenses	Commercial Expenses	
Payroll and Related Expenses	852,070	831,446	20,624	(A)
Electricity	433,400	433,400		
Gas (Cooking)	30,888	30,888		
Steam	307,200	288,600	18,600	(B)
Water Charges and Sewer Rent	104,016	84,766	19,250	(C)
Repairs, Supplies and Maintenance	70,000	62,295	7,705	
Service Contracts	144,700	140,715	3,985	
Insurance	211,625	188,330	23,295	
Management Fee	80,000	71,194	8,806	
Legal and Audit Fees	17,500	15,774	1,726	
Resident Managers Unit	87,083	78,375	8,708	(D)
Club Floor	269,850	269,850		
Reserve for Contingencies	50,000	44,496	5,504	
Other Expenses	22,250	19,801	2,449	
TOTAL EXPENSES	2,680,582	2,559,930	120,652	

(A) Represents 10% of wages and related expenses for Resident Manager, one Handyman and one Porter.

(B) Represents usage of Con Edison Steam for Commercial Unit as estimated by I.M. Robbins.

(C) Represents the usage for condenser water for cooling for the Commercial Units as estimated by I.M. Robbins.

(D) Represents 10% of Resident Manager's Unit expense.

NOTES TO SCHEDULE B

(1) Amounts are projected on the assumption that the First Year of Condominium Operation will be the year from September 1, 2006 to August 31, 2007. The actual First Year of Condominium Operation may be earlier or later than that year. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by 25% or more, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period, if the Plan has been declared effective) the right to rescind their Agreements within not less than 15 days after the presentation date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their Deposit returned.

(2) These amounts represent the total Common Charges to be levied against and collected from the Residential Units, Storage Units and the Commercial Units during the anticipated First Year of Condominium Operation. The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium. Generally, Common Expenses have been allocated between the Residential Units, the Storage Units and the Commercial Units based on anticipated usage and benefits derived by such Unit Owners, respectively, and between and among the Residential Units and Storage Unit Owners on the basis of percentage of Common Interest allocated to each Residential Unit or Storage Unit. Where the allocation of Common Expenses is not based on percentage of Common Interest or Common Expenses have been allocated only to certain categories of Units, such circumstances are set forth in the following notes. The Commercial Unit Owners will be obligated to pay their allocated share of the expenses, and only such allocated share of the expenses, that are incurred by the Board in furnishing those services, as well as operating, maintaining and repairing those Common Elements that are utilized by such Unit Owners. Those Common Expenses that have been allocated on the basis of Common Interest have been allocated on such a basis as follows: Those expenses to be borne by the Residential Unit Owners and Storage Unit Owners have been allocated on the basis of the combined percentage of Common Interest of such Units, for a total of 88.9922%. Common Expenses to be borne by the Owner of Commercial Unit 1 have been allocated on the basis of such Unit Owner's Common Interest for a total of 1.8409%. Common Expenses to be borne by the Unit Owner of Commercial Unit 2 has been allocated on the basis of such Unit Owner's Common Interest for a total of 9.1669%.

After operation of the Condominium has commenced, it is anticipated that the methods of allocation of the Common Expenses to be paid by the Commercial Unit Owners will be periodically adjusted as provided in Section 6.1 of the By-Laws, but not more frequently than once each year, to reflect the differing proportions fairly attributable to the then amount of usage by such category of Unit Owner of the services and the Common Elements in question, but in any event in conformity with Section 339-m of the New York State Real Property Law. If any category of Unit Owners contends that any method

of allocation determined by the Board is inequitable, the dispute may be submitted to arbitration as provided in the By-Laws.

(3) Common Expenses include the costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements and the provision of services to Unit Owners in general, such as service contracts applicable to the Building as a whole, employees who will provide services to the entire Condominium, the managing agent for the Condominium, and insurance coverage for the Common Elements.

(4) Payroll and Related Expenses: $852,070 ($831,446 Residential/$20,624 Commercial)

This estimate includes wages, workers compensation, and disability insurance, welfare and pension costs, payroll taxes and the cost of sick days, holidays and vacation pay for a projected shared Building staff of 1 Resident Manager, 1.5 Handyman, 4 porters and 8 Doorman/Concierge. The projected level of staffing for the Building complies with all applicable housing and labor laws. All staff will be full-time employees and will be members of Local 32B-32J Service Employees International Union AFL-CIO. The building is classified as Class "A" for the purpose of defining the wage scale. The contract with Local 32B-32J Service Employees International Union AFL-CIO is as of April 21, 2003 to April 20, 2006. In addition to his salary, the Resident Manager resides rent free in the Resident Manager's Apartment located in apartment 9A and is provided by the Board with free gas, electric and telephone. The wages described below are computed in accordance with the contract of Local 32 BJ and its affiliates. The projected expenses for wages, salaries and benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert, Cooper Square Realty, in managing comparable buildings.

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

POSITION	WEEKLY WAGE
Resident Manager (1)	$1,442.30 per 40 hour week for a total yearly wage of $75,000 per person.
Handyman (1.5)	$814.35 per 40 hour week for a total yearly wage of $42,346.20 per person.
Porters (4)	$739.16 per 40 hour week for a total yearly wage of $38,436.32 per person.
Doorman/Concierge (8)	$739.16 per 40 hour week for a total yearly wage of $38,436.32 per person.
Multiply by 1.1423 to bring to 59.4 pay weeks to allow for sick days, holidays and vacation pay.	
Total Wages	$599,756
FICA	$45,881

Workers' compensation:	$24,500
Federal Unemployment	$840
NYS Unemployment and NYS Disability:	$490
Health	$133,080
Annuity	$7,875
Pension	$39,648

The Commercial Units will utilize the service of only the Resident Manager, (1) handyman and (1) porter and will contribute to labor expenses for such employees based on 10% of each of such employee's labor expense.

(5) Electricity: $433,400 ($433,400 Residential/$0 Commercial)

This estimate is based on an estimate made as of November 30, 2004 by I.M. Robbins P.C., that common area light and power as well as central air-conditioning for the Residential Units and all Common Elements including the cooling tower will be approximately 2,814,285 KW/HR/YR at an annual cost of $.14 per KW/HR x 110%. The commercial units will be separately metered.

Electricity (including current necessary to operate HVAC Systems) within each Residential Unit will be separately metered by Con Edison and paid for by each unit owner.

(6) Gas: $30,888 (30,888 Residential/$0 Commercial)

Based on an estimate made as of November 30, 2004 by I.M Robbins P.C. it is anticipated that gas provided to the Units for the purpose of cooking will be $30,888. This estimate, is based on a projected usage at 2,860,000 Cu.Ft./Yr. of gas at an anticipated cost of $9.00 per 1.000 Cu.Ft. x 120%. The Commercial Units will be separately metered.

(7) Steam: $307,200 ($288,600 Residential/$18,600 Commercial)

Based on an estimate made as of November 30, 2004 by I.M Robbins P.C. it is anticipated that heat and hot water will be provided to the Units by Con Edison steam we be $307,200. This estimate is based on a projected usage at 16,000 M #/Yr. of steam at an anticipated cost of $16.00 per 1,000 Lbs. x 120%. The usage for the Commercial Unit is based on the estimates provided by I.M. Robbins as of December 10, 2004.

(8) Water Charges and Sewer Rent: $104,016 ($84,766 Residential/$19,250 Commercial)

This amount is based on an estimate made as of November 30, 2004 by I.M. Robbins P.C., that water charges and sewer rent for the Residential Units and all Common Elements including the cooling tower will be approximately 24,000 CCF at an annual cost of $3.94 per /CCF x 110%.

The budgeted amount constitutes a projection of the water charges and sewer rents that will be payable with respect to the Building. Because the Building is being newly constructed, it has no operating history upon which to base such a projection.

Water charges and sewer rents will be allocated among the Units based on the estimated annual consumption set forth above. Condenser water used for cooling utilized by the Commercial Unit Owner is based on the estimates provided by I.M. Robbins as of December 10, 2004 and included in the Commercial Allocation as noted. Domestic water charges and sewer rents utilized by the Commercial Units will be separately sub-metered and therefore, separately billed to the Commercial Unit Owners and paid for by the Commercial Unit Owner.

(9) Repairs, Supplies and Maintenance: $70,000 ($62,295 Residential/$7,705 Commercial)

This estimate includes painting, maintenance and repair costs of Common Elements only. Unit Owners will be responsible for the cost of repairs and painting in the interiors of their Units. No provision has been made to cover the cost of any major capital expenditure. This estimate also includes the estimated annual cost of services and supplies (including service contracts) provided to and for the benefit of the Units.

No amounts have been budgeted for repairs to the roof, the heating, ventilating and air-conditioning system or the Building exterior, and a relatively small amount has been estimated for other repairs, because the Building is newly constructed. This estimate is based on experience of Sponsor's budget expert, Cooper Square Realty, Inc., in operating comparable new buildings.

(10) Service Contracts and Supplies: $144,700 ($140,715 Residential/$3,985 Commercial)

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

Elevator Maintenance	$48,000
Exterminating	$3,000
Wood, Marble & Metal Maintenance	$15,000
Fire Extinguishers	$500
Central Station Monitor	$2,200
Fire Protection	$2,000
Landscaping	$15,000
Fitness Center	$2,000
Water Tank	$1,500
Water Treatment	$9,000
Supplies (Cleaning materials, lubricants, bulbs fixtures, general and hardware supplies, etc.)	$40,000
HVAC Contract	$6,500
Total	$144,700

No maintenance or service contracts have been entered into as of the filing date of the Plan. The budgeted amounts are based on estimates received from contractors where indicated and otherwise the experience of Sponsor's budget expert, Cooper Square Realty, Inc., in operating comparable buildings. While this Schedule B includes a reasonable allowance for possible increases in cost which may occur prior to and during the First Year of Condominium Operation, no warranty is made that the actual cost for these or other services will be in accordance with this projection. The Commercial Unit will share in the expense of the Central Station Monitoring, Fire Protection, Landscaping, Water Tank, Water Treatment and HVAC.

(11) Insurance: $211,625 ($188,330 Residential/$23,295 Commercial)

The insurance premiums are based on the letter, dated October 2004, from H.K Ross Corp., setting forth the following coverages:

	Coverages	Limits of Liability
A.	Property	
	Real Property/Building	$100,000,000
	"All Risk" Coverage (exclusive of Terrorism and Mold Coverage)	
	Replacement Cost	
	Co-Insurance	WAIVED
	Agreed Amount	
	Flood (Annual Aggregate)	$10,000,000
	Earthquake (Annual Aggregate)	$10,000,000
B.	Liability	
	(General Aggregate)	$2,000,000
	Each Occurrence	$1,000,000
	Water Damage Legal Liability	$1,000,000
	Non-Owned and Hired	$1,000,000
	Automobile Liability	
	Employee Benefits	$1,000,000
	Fire Damage legal	$50,000
C.	Workers Compensation/ Employers Liability	
D.	Directors & Officers Liability	$1,000,000
E.	Employee Dishonesty (Fidelity)	$250,000
	Managing Agents Rider	
	Deductible	
F.	Umbrella Liability	$100,000,000
	Each Occurrence	

	Self Insured Retention	
G.	Boiler & Machinery	INCLUDED

The total premium for these various coverages is estimated at $211,625.

This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units or any Common Elements exclusive to such Units, nor does it include coverage of the furniture or personal property of Unit Owners. The property program excludes terrorism and mold coverage.

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

Sponsor will procure, on behalf of the Board, on or before the date of the First Closing, the general liability insurance required to be carried by the Condominium.

(12) Management Fee: $80,000 ($71,194 Residential/$8,806 Commercial)

Based on the management agreement to be entered into with Cooper Square Realty, Inc. at or before the First Closing, it is expected that the Managing Agent will receive an annual fee of $80,000 for the first year. Reference should be made to "Management Agreement and Contracts" in Part I, Section X, for further discussion of the terms of the Management Agreement.

(13) Legal and Audit Fees: $17,500 ($15,774 Residential/$1,926 Commercial)

Based upon the estimate of $10,000, as set forth in a letter dated September 24, 2004, $10,000 has been budgeted to provide for estimated auditing and accounting fees in connection with the preparation of the audited financial statements for the Condominium's First Year of Condominium Operation and its Federal, state and city income tax returns. The balance of the budgeted amount ($7,500) has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Board meetings, preparation of Board minutes and negotiation of minor agreements.

(14) Resident Manager's Unit: $87,083 ($ 78,375 Residential/$8,708 Commercial)

At or after the First Closing, Sponsor will sell Residential Unit 9A (the Resident Manager's Unit), to the Board, which will own such Unit on behalf of the Unit Owners and will use the same as the Resident Manager's residence. The purchase price for this Unit, which is currently anticipated to be Unit 9A, will be $1,175,000, payable by a promissory note (the "Resident Manager's Unit Note") which will bear interest at an interest rate of 6% per annum/ or the prevailing rate at the time of conveyance and provide for the payment of equal monthly installments of interest only, and which will

mature five (5) years after the closing on such Resident Manager's Unit. The principal balance together with any accrued and unpaid interest due thereon shall be payable in full by the Board at the time of maturity (i.e., 5 years after the closing on the Resident Manager's Unit). Payment of the Resident Manager's Unit Note will be secured by a first mortgage on the Resident Manager's Unit. The note and mortgage are hereinafter referred to as the "Mortgage Documents". The forms of the Mortgage Documents are reproduced as Exhibit 4 in Part II of the Plan. Additional terms of the Mortgage Documents are as follows:

Amount Financed: $1,175,000

Annual Interest Rate: 6% per annum / or the then prevailing interest rate for condominium unit mortgages; 6% per annum has been used for purposes of estimating the annual installment payments, but no guarantee is made that the actual interest rate will be 6% per annum.

Installment Payments: Equal monthly payments of interest only during the term.

Maturity Date: Five (5) years after the closing of title.

Prepayment: The loan may be prepaid in full or in part (in multiples of $5,000) on the first day of a month, upon giving not less than ten (10) days' prior written notice of intention to prepay, without premium or penalty, but with interest accrued to the date of prepayment on the amount prepaid.

Restrictions: The unpaid principal and accrued interest will be immediately due at the option of the lender, in the event the Unit is sold or further mortgaged or occupied by other than the Resident Manager.

Late Charge: Two cents (2%) on each dollar overdue for more than fifteen (15) days, together with any attorneys' fees and expenses incurred for the cost of collection.

Grace Period: Ten (10) days after the due date to pay any installments of interest, principal or other sum under the Resident Manager's Unit Note and Mortgage and fifteen (15) days after notice for any non-monetary default under the Resident Manager's Unit Note and Mortgage.

Sponsor does not intend to refinance or extend the Resident Manager's Unit Note and related mortgage at maturity. Purchasers are advised that refinancing by another lender may not be available and that the Board of Managers, in order to repay the purchase money note, may be required to assess all Unit Owners in proportion to their respective Common Interests. The Board will pay all of the same closing costs to purchase the Resident Manager's Unit as any other Purchaser would pay to purchase a Residential Unit under this Plan, as well as an additional $1,000 fee to Kramer Levin Naftalis & Frankel LLP for preparing the note and mortgage to be given by the Board to Sponsor. The closing costs for the Resident Manager's Unit will be paid from the initial Working Capital Fund to be established out of payments made on account thereof by Purchasers at the closings of the purchase of their Residential Units.

In the event the Board of Managers defaults under the Resident Manager's Unit Note and Mortgage, including, but not limited to a default as the result of the Board of Managers' failure to pay the balance of the purchase money note due at maturity, Sponsor may foreclose on the Resident Manager's Unit and if the proceeds from the sale of such Unit are insufficient to satisfy the outstanding mortgage balance and other fees incurred, the Unit Owners could be liable for the deficiency. In the event of such a foreclosure, the Condominium will be without a Resident Manager's Unit and, accordingly, alternate arrangements will be necessary to shelter the Resident Manager in the Condominium or within such distance of the Condominium as is then required by law.

Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Unit 9A to sell to the Condominium as the Resident Manager's Unit; provided, however that such sale shall only be made pursuant to an amendment to the Plan and shall not result in the Board incurring financing charges, common charges and real estate taxes, the sum of which exceed the costs of owning Unit 9A as set forth in Schedule B.

Prospective purchasers are advised that the purchase of the Resident Manager's Unit represents, in effect, an additional purchase price to each Purchaser of a Residential Unit (i.e., a portion of the purchase price of the Resident Manager's Unit is attributable to each Unit). However, Purchasers will not be required to pay for their proportionate share of the purchase price at title closing to their Units. Instead, all Unit Owners will pay the purchase price for the Resident Manager's Unit directly through their Common Charges, which includes the debt service on the mortgage.

The budget line item for the Resident Manager's Unit consists of mortgage payments, Common Charges, real estate taxes, and utility charges (including electricity and basic telephone services), attributable to the Resident Manager's Unit. Closing costs in connection with the purchase of the Resident Manager's Unit, estimated at $63,000, are anticipated to be paid from the initial Working Capital Fund to be established from payments received by Purchasers at the closings of their Residential Units. All Residential Unit Owners will pay all expenses attributable to the Resident Manager's Unit as Common Expenses based on their respective percentage of Common Interests. These monthly expenses are detailed as follows:

Mortgage Payments	$5,875 per month (interest only)
Real Estate Taxes	$176.19 per month (assumes 421-a is applicable)
Common Charges	$905.69 per month
Utility Charges	$200 per month
Telephone Charges	$100 per month

The amounts projected for utility charges are based on estimates by Cooper Square Realty; the amounts projected for real estate taxes and Common Charges are derived from Schedules A and B; the mortgage payments have been calculated based on the terms set forth above.

If, as of the First Closing, the temporary certificate of occupancy for the Building does not permit Unit 9A (or such other Unit as Sponsor shall select to be the Resident Manager's Unit, as provided above) to be occupied, or if for any other reason (in Sponsor's sole judgment) Unit 9A is not then suitable or available for occupancy by the Resident Manager, Sponsor and the Board will enter into an interim lease for another Unit (to be selected by Sponsor) for use as the Resident Manager's residence until Unit 9A (or such other Unit as Sponsor shall select to be the Resident Manager's Unit, as provided above) is ready for occupancy. Such interim lease will require the Board to pay to Sponsor, as the rental thereunder, the Common Charges, real estate taxes and other costs and expenses incurred by Sponsor in connection with owning and maintaining such Unit during the term of the interim lease. In such event, the Plan will be amended to disclose such interim lease and the terms thereof.

Special Note: At the First Closing, Sponsor and the Board will adjust various items of income and expenses in accordance with the period that each owns or operates the Property. If the net credit is in favor of Sponsor, the same will be paid by the Board up to and including $25,000. The balance owing shall be paid in twelve equal consecutive monthly installments commencing on the first day of the second month subsequent to the First Closing, with interest at 8% per year, pursuant to a negotiable promissory note to be executed by the Board and delivered to Sponsor at the First Closing. Although these installments are not expressly included in this budget, payment of the note (but not the interest thereon) represents, in effect, payment of expenses reflected in this budget that have been prepaid by Sponsor. Interest payments will reduce the amount available in this "Other Expenses" or "Reserve for Contingency" category of the projected budget.

(15) Club Floor: $269,850 ($269,850 Residential/$0 Commercial)

This figure represents the anticipated cost of operating the Club Floor during the first year of operation based on an estimate by Cooper Square Realty. This cost includes the cost of payroll, supplies and other expenses necessary for the operation of the Club Floor with the exception of the phone expense. The phone expense will be paid by the Club Floor management company. Management of the Club Floor will be provided by a third party management company.

(16) Reserve for Contingencies: $50,000 ($44,496 Residential/$5,504 Commercial)

This amount, to be used at the discretion of the Board, is intended to benefit the Unit Owners by providing a fund for unanticipated expenses not included in the budget and for possible increases in one or more items of operating expense above the amounts projected. The budget may be modified from time to time prior to the commencement of, or during, Condominium operation to add or increase one or more items of operating expense. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess the Unit Owners.

This estimate does not include an estimate for income taxes payable by the Condominium. (See the Sections of the Plan entitled, "Income Tax Deductions to

Residential Unit Owners and Tax Status of Condominium" and "Opinion of Counsel" (Sections U and V below) for further discussion.)

(17) Other Expenses: $22,250 ($19,801 Residential/$2,449 Commercial)

Other Expense covers the ongoing need for telephone, office supplies, office equipment, postage, special communications and mailings to the Unit Owners, annual meetings, and purchase of uniforms.

Telephone and Communications	$9,000
Printing and Postage	6,500
Sprinkler Fees	750
General	6,000

(18) Total Expenses

In the opinion of Cooper Square Realty, Sponsor's Budget Expert, the projected income for the Condominium is adequate to meet the estimated expenses for the anticipated First Year of Condominium Operation, assuming that such first year is the fiscal year commencing September 1, 2006. The budget, however, is not intended, and should not be taken, as a guarantee that the annual Common Charges for the first or any subsequent year of operation of the Condominium will be as set forth in the budget. In fact, it is likely that the actual income and expenses for the First Year of Condominium operations will vary from the amounts shown in the budget.

I.M. ROBBINS P.C.

CONSULTING ENGINEERS / 15 WEST 44TH STREET / NEW YORK, N.Y. 10036
TELEPHONE: (212) 944-5566 / FAX: (212) 944-5597

SCHEDULE B-1
325 FIFTH AVENUE CONDOMINIUM

November 11, 2004

Douglaston Development
42-06 235th Street
Doulgaston, NY 11363

Att: Adam Mann

Re: 325 Fifth Avenue
Condominium Apartment
Electric Charges

Gentlemen:

We estimate that the cost of electricity for an apartment owner to be $1.90 per square foot per year. (Current Con Edison Rate 0.16/KW/HR)

Each apartment owner will be metered and billed directly by Con Edison each month for their electric consumption.

We list below the Total Annual Estimated Cost for representative apartments.

APARTMENT SIZE	TOTAL ANNUAL KWH	TOTAL ANNUAL COST
687	8158	1305.30
816	9690	1550.40
886	10521	1683.40
1151	13668	2186.90
1198	14226	2276.20
1221	14499	2320.00
1282	15223	2435.80
1338	15889	2542.20
1396	16578	2652.40
1446	17171	2747.40
1511	17943	2871.00
1527	18133	2901.30
1643	19510	3122.00
1741	20674	3307.90
1775	21078	3372.50
1911	22693	3630.90
2389	28369	4539.10
2940	34912	5586.00
2983	35423	5667.70

These figures are consistent with other buildings of similar construction and type. Prices for Energy consumption are subject to market and weather conditions and will fluctuate as per market demands.

Very truly yours,

Marc Robbins, PE, LEED

LICENSED PROFESSIONAL ENGINEER
MARC ROBBINS
Lic. No. 81645
STATE OF NEW YORK

MR/mj
325FifthAveCondoElecUsage

F. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)



6 East 43rd Street • New York, NY 10017 • Tel: 212-682-7373 • Fax: 212-682-5441

Marc Kotler
Direct Dial: 212-634-5420
Email: mkotler@coopersquare.com

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(i)

December 1, 2004

Continental Residential Holdings, LLC
c/o Douglaston Development LLC
42-06 235th Street
Douglaston, New York 11363

Re: 325 Fifth Avenue Condominium

Gentlemen:

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

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

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

Cooper Square Realty, Inc. is a licensed Real Estate Broker in the State of New York and has been actively engaged in the management and sales of residential property for over 20 years. We have also been active in the sale of cooperative and condominium apartments for the past fifteen years.

This firm will not act as the selling agent of the property. We have no beneficial interest in the Sponsor and no interest in the profits of this conversion plan other than the fee for this service.

We hereby authorize the use of our name and this letter in connection with the proposed plan of condominium operation.

Very truly yours,

Marc Kotler
Senior Property Manager

G. COMMERCIAL UNITS

Subject to certain restrictions set forth in the Declaration and By-Laws, the Commercial Units (not offered hereby) may be used for any lawful purpose, including, without limitation, for retail, restaurant, banking, commercial, office, storage, garage and utility purposes. The Board will have no right to restrict or limit any of the uses of, or alterations in or to, the Commercial Units (including the storefronts thereof) which are permitted by law and applicable zoning ordinances, except as otherwise set forth in the By-Laws and Declaration. It is currently anticipated that Commercial Unit 1 will initially be used for retail purposes (and ancillary uses) and that Commercial Unit 2 will initially be used as a parking garage (and ancillary uses), although no representation or warranty is made with respect to such initial or any subsequent uses of such Commercial Units or with respect to who the owner or tenant(s) of the Commercial Units may be at any time.

No unlawful use may be made of the Property or any portion thereof and all valid Legal Requirements relating to any portion of the Property shall be complied with at the sole cost and expense of the applicable Unit Owner or the applicable Board(s), whichever party has the obligation to maintain or repair such part of the Property, as set forth in the Declaration or the By-Laws.

Each of the Commercial Unit Owners will be obligated to pay its share of the expenses that are incurred by the Board in furnishing services, and operating, maintaining and repairing Common Elements, only to the extent the same are utilized by or benefit such Commercial Unit Owner. As more fully set forth in the "Notes to Schedule B" above, each of the Commercial Unit Owners will therefore pay only allocated percentages of only certain expenses, which percentages may be less (or more) than their Common Interest. The allocated percentages represent a projection of the proportionate usage of the services and facilities in question by each of the Commercial Unit Owners, as estimated by Cooper Square Realty, Inc., an independent expert retained by Sponsor. It is the opinion of Cooper Square Realty, Inc., as more fully set forth in Exhibit 11 in Part II, that the aforementioned Common Charges payable by each of the Commercial Unit Owners are sufficient to cover the expenses fairly attributable to such Unit Owner's Commercial Unit.

After operation of the Condominium has commenced, it is anticipated that the Common Charges payable by each of the Commercial Unit Owners may be periodically adjusted, but not more frequently than once each year, to reflect the proportion properly attributable to the then amount of usage by each of the Commercial Unit Owners. If the Board and any of the Commercial Unit Owners cannot agree on such adjustment, the dispute will be submitted to arbitration in accordance with Article 11 of the By-Laws.

To the extent permitted by law, and subject to certain restrictions set forth in the Declaration and By-Laws, the Commercial Unit Owners will each have the right with regard to its Unit, without the vote or consent of the Board, or any other party, to mortgage or otherwise hypothecate its Unit, to decorate or make alterations, additions or improvements to its Unit (except that alterations, additions or improvements which would either in the course of performance or upon completion have a material adverse effect on the structural, mechanical, electrical or plumbing elements of the Building or would increase insurance premiums or

maintenance costs for any other Unit or the Common Elements shall be subject to the approval, not to be unreasonably withheld, of the Board), to change the size of its Unit by subdividing it into any desired number of condominium units (or by combining any units resulting from such subdivision), and to reapportion among the newly created condominium units resulting from any subdivision (or combination) their appurtenant Common Interests, provided that any such changes are in compliance with Article 9-B, Section 339 of the New York Condominium Act. As more particularly provided in Article 10 of the Declaration, the Commercial Unit Owners will each have the right with regard to its Unit to amend the Declaration in order to reflect such changes, or to cause the Board to do so. If any of the Commercial Units is subdivided or combined, the owner of each Unit resulting from a subdivision or combination will generally have all of the rights (without the consent of the Board or other Unit Owners), set forth above in this paragraph, described as pertaining to the Unit Owner of the original Unit or Units in question.

The owner of Commercial Unit 1 and/or its designee (and their respective successors and assigns) shall have an easement to erect, use, lease, license, maintain, repair, replace, and operate a platform and other facilities for the purpose of erecting, using, leasing, licensing, maintaining, repairing, replacing and operating antennae, satellite dishes and other communications equipment on the roof of the Building (which is otherwise a Common Element.) The Residential Unit Owners will not have any interest in the rents, profits or revenues from the rental, use or sale of any such space pursuant to the aforementioned easements and rights. The owner of the Commercial Unit 1 shall have the right to create additional Commercial Units consisting of portions of the Commercial Unit, each of which shall have as an appurtenant easement Commercial Unit 1 to use a portion of the Commercial Unit platform and other facilities on the roof of the Building, upon which such additional Commercial Unit Owner (or its tenant or licensee) may erect, use, lease, license, maintain, repair, replace and operate antennae, satellite dishes and other telecommunications equipment. If such additional Units are created, the percentage interest in the Common Elements allocated to the Commercial Unit and the percentage interests of all other Units will remain unchanged. As of the date hereof, to Sponsor's knowledge, particular installations pursuant to the aforementioned rights and easements have been planned. Any such installations erected in the future shall be made only in the areas reserved therefor as shown on the "Roof Plan" included in Floor Plans reproduced as Exhibit 6 in Part II of the Plan.

All normal maintenance and repairs of the roof of the Building will be made by the Board and chargeable to all Unit Owners as a Common Expense; except that if the holders of the aforementioned easement utilizes the roof of the Building pursuant to such easement, then such party/ies will be responsible for the normal maintenance and repair of the portion of the roof(s) it utilizes. Capital repairs and replacements to such roofs, other than normal maintenance and repairs, will be charged to all Unit Owners as a Common Expense except to the extent such costs are attributable to the use of areas utilized pursuant to the above-described easements or are necessitated by the exercise of such easements, in which case the holders of such easement shall be responsible for such costs.

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H. CHANGES IN PRICES AND UNITS

The purchase prices set forth in Schedule A and other terms of payment (but not other terms of sale) with respect to a particular Unit are negotiable and may be changed by Sponsor at any time and from time to time, both before and after the recording of the Declaration, without prior notice and without the consent of the Board, any Unit Owner or mortgagee. However, no such change with respect to any Unit for which an Agreement is then in effect may be made without the consent of the Purchaser thereunder, and no Agreement will be modified to waive any of the Purchaser's rights or abrogating any of Sponsor's obligations, under this Plan or Article 23-A of the New York General Business Law.

The Plan will be amended to disclose: (a) any increase (but not any decrease) in the Purchase Price of an offered Unit; (b) any changes in either Purchase Prices (whether increases or decreases) or other financial terms of sale that are across-the-board changes affecting one or more lines or types of Units; or (c) any changes in either Purchase Prices or other financial terms of sale that are to be advertised. Other than the changes described in (a) through (c) above, Purchase Prices and other terms of sale of one or more Units which are not subject to executed Agreements may be changed without either notice or amendment of the Plan.

If Sponsor changes the purchase price of a Unit, the Purchaser affected thereby may pay more or less than other Purchasers under the Plan for similar Units, but this will not affect any prior or subsequent sale of any other Units, nor will the Common Interest of any Unit be altered as a result of a price change for such Unit.

In order to meet the possible varying demand for number and type of different Units, or to meet particular requirements of prospective Purchasers, or for any other reason, Sponsor and its designees reserve the right (except to the extent prohibited by applicable Legal Requirements and subject to the Declaration and By-Laws) at any time and from time to time, before and after the recording of the Declaration, without prior notice and without the consent of the Board, any Unit Owner or mortgagee, to: (i) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon any Unsold Unit; (ii) change the layout of, or number of rooms in, any Unsold Unit; (iii) change the size and/or number of Unsold Units by subdividing one or more such Units into two or more separate Units, combining separate Unsold Units (including those resulting from a subdivision or combination or otherwise) into one or more Units, altering any boundary walls between any Unsold Units, and/or incorporating within any Unsold Unit the use of any portion of the Common Elements adjacent thereto (but only to the extent that such Common Elements are not required to be maintained as Common Elements based upon such alterations); (iv) if appropriate, reapportion among the Unsold Units affected by such change, their Common Interests, provided, however, that after the recording of the Declaration, no change in any Unit's Common Interest will be made without obtaining the prior consent of all Unit Owners affected by such change; and (v) change the permitted use of some or all of the Unsold Units. Any such change described in subsections (ii) through (v) in the immediately preceding paragraph and additionally any material adverse change in the size or quality of any of the Common Elements shall be disclosed by Sponsor in a duly filed amendment to the Plan and, when applicable, to the Declaration. In the event of any such change after the Declaration is recorded, the Declaration and Floor Plans shall each be amended and such amendments duly recorded and disclosed in a

duly filed amendment to the Plan. As more particularly provided in the Declaration, Sponsor or its designee will have the right to (or to cause the Board to) so amend the Declaration and Floor Plans, to the extent required, in order to reflect any such change affecting Unsold Units. In addition, none of the foregoing changes, including any material adverse change in the size, layout or Common Interest of an Residential Unit or in the amount or quality of Residential Limited Common Elements directly affecting or servicing a Unit, will be made with respect to any Unit for which an Agreement has been mutually executed and delivered and the Purchaser thereunder is not in default, unless: (a) such change has been dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc.) and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's control, and where no practicable alternative (in the exercise of sound construction management practices) exists and set forth in an amendment to the Plan, and the Purchaser is offered the right in such amendment, for at least 15 days, to rescind his or her Agreement and receive a refund of the Deposit, together with all interest earned thereon, and the Purchaser elects not to exercise such right of rescission; or (b) such change is not a material adverse change in the size, dimension or floor space or layout of such Unit, in which event a Purchaser will not be excused from purchasing such Unit by reason of such minor, non-material deviation or change and will not have any claim against Sponsor as a result thereof.

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I. INTERIM LEASES

Sponsor will endeavor in good faith to sell, but nevertheless reserves the unconditional right, prior to the date of closing title to a Unit, to rent or lease, rather than sell, such Unit to Purchasers and others. As a result, a Purchaser of a Unit may be acquiring a Unit that has been previously occupied, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at the closing vacant and free and clear of all leases, tenancies and rights of occupancy. However, once an Agreement for a Unit is fully executed and for so long as the Agreement is in effect, such Unit may only be leased to its Purchaser. No Purchaser shall have the right to occupy any Unit prior to the closing unless Sponsor agrees to permit such occupancy under an interim lease or other written rental agreement.

Interim leases will not be subject to the New York City Rent Law (rent control), the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law, the New York City Rent Stabilization Code, any rent regulatory scheme or code, rule or regulation promulgated under any of the foregoing, or any other rental protection laws.

If Sponsor agrees to lease a vacant Unit, the lease will be for a rent and upon such other terms and conditions as may be agreed upon by Sponsor and the tenant; provided, however, that in the case of an interim lease to a Purchaser, such lease will provide that an uncured default by the Purchaser under the Agreement (that is, a default not cured within 30 days after the sending of written notice thereof) will constitute a default under the lease entitling the landlord (i.e., Sponsor), at its sole option, to immediately terminate such lease. The Agreement will contain a similar provision entitling Sponsor to terminate the Agreement and retain the Deposit (and any interest thereon) as liquidated damages, and not as a penalty, in the event the Purchaser fails to cure a default under such Purchaser's lease within the applicable grace period (if any) and either: (a) Sponsor has obtained an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser or (b) the Purchaser has vacated the Unit.

No portion of the rental paid under any lease will be credited towards the Purchase Price of a Unit unless the lease and the Agreement therefor expressly so provide.

In the event of an amendment to the Plan disclosing a material adverse change pursuant to which a Purchaser is allowed to rescind an Agreement, if a Purchaser who is a tenant under an interim lease duly elects to rescind, the interim lease made with such Purchaser shall be cancelled and possession of the Unit must be surrendered within 60 days thereafter free of all occupants and in broom clean condition. A Purchaser shall be liable to Sponsor for any and all damages, costs and expenses incurred by Sponsor by reason of any failure to vacate within said 60-day period. If such failure to timely vacate occurs prior to the First Closing, the Purchaser shall be liable for use and occupancy in an amount equal to twice the rent under the interim lease. If such failure to timely vacate occurs after the First Closing, the Purchaser shall be liable for twice the costs of carrying the Unit (such as Common Charges, real estate taxes and the allocable portion, based on such Unit's Common Interest, of debt service on any loan covering the Unsold Units) as calculated by Sponsor. In addition, irrespective of when such failure to timely vacate occurs, such Purchaser shall be liable to Sponsor for loss of profit and all costs and

expenses incurred by Sponsor to obtain possession of the Unit, including the cost of litigation and reasonable attorneys' fees and expenses.

In the event the Plan is abandoned, a Purchaser who has entered into an interim lease will have no right to remain in occupancy as a tenant after the abandonment of the Plan.

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J. PROCEDURE TO PURCHASE

1. Execution of Documents

Any party desiring to purchase a Unit will be required to execute four original counterparts of an Agreement, in the form set forth as Exhibit 1 in Part II of the Plan, for each such Unit desired. The Agreement sets forth in detail the terms of sale with respect to the Units offered hereunder and should be read carefully by each prospective Purchaser. In the event of any conflict or ambiguity between the Plan and the Agreement, the provisions of the Plan shall control.

No signed Agreement will be accepted from a prospective Purchaser for three business days following such Purchaser's receipt of a copy of the Plan, including all amendments thereto. For the convenience of some Purchasers, however, Sponsor will have the right, at its sole option, to accept an Agreement prior to the expiration of such period of three business days; and in such event, and only in such instance, such Purchaser will have the right to rescind such Agreement by written notice sent to Sponsor by certified or registered mail, return receipt requested, or by personal delivery within seven (7) days of such Purchaser's submission of the Agreement, whereupon Sponsor will refund, without interest (notwithstanding any provision of this Plan regarding interest to the contrary), the Deposit received by Sponsor from such Purchaser in connection with such Agreement.

A Purchaser shall deliver to Selling Agent, together with the four signed original counterparts of the completed Agreement, the following: three completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, in the form required by law (the forms currently required by law are reproduced as Exhibits 1A and 1B in Part II of this Plan); and an option payment as set forth below.

Agreements will not be binding on Sponsor until approved and executed by Sponsor. Sponsor will have thirty (30) days after delivery by the Purchaser of an executed Agreement, together with the amounts and other items described above within which to accept or reject such Agreement. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by law. Each Purchaser shall and shall in all events be deemed to represent and warrant that the Deposit and all sums deposited by Purchaser pursuant to the Agreement are such Purchaser's own funds and that no other party has any right thereto. If an Agreement is not accepted by Sponsor within such 30-day period, the Agreement shall be deemed to have been rejected and cancelled and all sums deposited by such prospective Purchaser in connection therewith shall be promptly returned, together with any accrued interest. Sponsor reserves the right to reject any prospective Purchaser without cause or explanation, provided that such rejection is not based on race, creed, color, age, gender, sexual orientation, disability, marital status, national origin, ancestry, or any other ground proscribed by law, and to refuse to execute an Agreement for any Unit, or an Agreement or Agreements, as the case may be, for more than one Unit to any one person or entity.

2. Deposits/Escrow

As set forth above, a prospective Purchaser shall deliver to Selling Agent, together with the four signed original counterparts of the completed Agreement, an option payment (any of the following amounts, the "Initial Deposit") in an amount equal to: (a) 10% of the Purchase Price; or (b) 50% of the Purchase Price if the Purchaser is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity). A prospective Purchaser who, in accordance with the previous sentence, was only required to make an Initial Deposit equal to 10% of the Purchase Price will be required to make, in addition to the Initial Deposit, an additional payment equal to 5% of the Purchase Price of such Purchaser's Unit (the "Additional Deposit") due and payable no later than the earlier to occur of four (4) months after the date of the Agreement or 15 days after Sponsor serves Purchaser with written notice of an amendment to the Plan declaring the Plan effective, but in no event later than the Closing. No Additional Deposit shall be required if the Purchaser is a foreign government or other person or entity referenced in (b) of the first sentence of this paragraph and who or which has made a 50% Initial Deposit as described above. The term "Deposit", as used in this Plan, refers to both the Initial Deposit and, if the same has been paid at the time in question, the Additional Deposit. All such payments shall be made by unendorsed check drawn only on a member bank of the New York Clearing House Association made payable to "Kramer Levin Naftalis & Frankel LLP, as escrow agent." All such checks shall be subject to collection and if any such check is returned for insufficient funds or for any other reason, Sponsor shall have the right, among other things, to deem such Agreement to be cancelled and of no further force or effect, and to retain any Deposit and other amounts previously deposited.

With respect to any check or other instrument that is dishonored or fails of collection, the Escrow Agent is authorized to deliver to Sponsor the dishonored or uncollected instrument and Sponsor will have the choice of remedies set forth in the Plan and in the Agreement with respect to an Event of Default (which includes suing on such dishonored or uncollected instrument or (at Sponsor's option) canceling this Agreement and returning the instrument to Purchaser without affording Purchaser a grace period to cure such default).

All deposits, Deposits or advances received by Sponsor will be held in escrow by Kramer Levin Naftalis & Frankel LLP (the "Escrow Agent") and placed in the Escrow Account (as hereinafter defined) in conformity with the procedure set forth herein. Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto, and the provisions of Lien Law Section 71-a(3), as applicable.

All Deposits or advances made by Purchasers prior to closing of each individual transaction will be placed, within five business days after the Agreement is signed by all necessary parties, or within five business days after receipt, in the case of deposits, Deposits or advances made subsequent to the execution of the Agreement, in a segregated special escrow account (the "Escrow Account") of Kramer Levin Naftalis & Frankel LLP, the Escrow Agent, whose address is 1177 Avenue of the Americas, New York, New York 10036, and whose telephone number is 212-715-9100. The signatories on the Escrow Account authorized to withdraw funds are any one of Jay A. Neveloff, Paul S. Pearlman, Neil R. Tucker, James

Godman, Robert Heller and Howard J. Rothman. The name of the Escrow Account will be "325 Fifth Avenue Condominium Attorney Escrow Account" or similar name, located at HSBC Bank USA, 452 Fifth Avenue, New York, NY 10018 (the "Bank"), or such other substitute bank and/or account type and/or title as may be designated in an amendment to the Plan. The Bank is covered by federal bank deposit insurance up to a maximum of $100,000 per individual depositor. Deposits made by a Purchaser in excess of $100,000 in the aggregate in connection with the purchase of a Unit or Units will not be federally insured.

The Escrow Account will be interest-bearing and, unless the Purchaser defaults, interest will be credited to the Purchaser at closing. The interest rate to be earned will be the prevailing rate paid by the Bank for such accounts from time to time (although no representation or guarantee is made as to the actual rate of interest that will be earned on such funds). Interest, if any, will begin to accrue within five (5) business days after the Agreement is fully executed by Sponsor and Purchaser and delivered to Purchaser and payment in respect of the Deposit is tendered to Escrow Agent, provided that the Purchaser has delivered the required number of completed and signed Form W-9 (Request for Taxpayer Identification Number) in the form reproduced as Exhibit 1A in Part II of the Plan or Forms W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) in the form reproduced as Exhibit 1B in Part II of the Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and the Agreement. If a Purchaser does not deliver the Form W-9 or Form W-8BEN, as applicable, the Deposit will be deposited in a non-interest-bearing escrow account at the aforesaid bank until the Form W-9 or Form W-8BEN has been delivered, and neither Sponsor, Selling Agent, the Escrow Agent nor the Bank shall be liable for interest for the period prior to the delivery of such form.

Sponsor is required by law to submit a Form 1099-INT to the Internal Revenue Service reporting interest earned on the Deposit, if any. Purchaser will be taxed accordingly on such interest, whether or not Purchaser ultimately receives the interest in accordance with the terms of its Agreement or the Plan.

Within 10 business days after delivery by Sponsor of the Initial Deposit to Escrow Agent, Escrow Agent will notify the Purchaser that such funds have been deposited into the Escrow Account and will provide the account number and the initial interest rate. If the Purchaser does not receive notice of such deposit within 15 business days after delivery by Sponsor of the Initial Deposit to Escrow Agent, the Purchaser may cancel the purchase and rescind the Agreement so long as the right to rescind is exercised within 90 days after tender of the Initial Deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations. Except as set forth above in this paragraph, the Escrow Agent will hold funds in escrow until otherwise directed in (i) a writing signed by both Sponsor and the Purchaser, (ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations, or (iii) a judgment or order of a court of competent jurisdiction.

If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than 10 business days. Thereafter, the funds may be paid

to Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified the Escrow Agent in accordance with such provisions.

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

Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the escrowed funds and any interest thereon. Sponsor must avail itself of this procedure if there is a dispute that needs to be resolved. A form for this purpose is set forth in Part II of the Plan. The party applying for a determination must send all other parties a copy of the application. Pending the determination of the Attorney General to grant or deny the application, Sponsor, the Purchaser and the Escrow Agent shall abide by any interim directive issued by the Attorney General. If the application seeking the release of funds is denied, the Escrow Agent shall continue to hold the deposit and any interest earned thereon until: (i) both Sponsor and the Purchaser direct payment to a specified party in accordance with a written direction signed by both Sponsor and the Purchaser; (ii) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or (iii) the Escrow Agent deposits the disputed amount into Court. In no event shall the Escrow Agent release funds in dispute, other than a payment of such funds into court, until such dispute is finally resolved either by determination of the Attorney General or by order or judgment of a court of competent jurisdiction or by written agreement of Sponsor and Purchaser. Under no circumstances shall Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after consummation of the Plan, and consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law 352-h. A copy of the escrow agreement which incorporates the terms of the Attorney General's regulations is set forth in Part II of the Plan.

Sponsor has agreed to indemnify and hold the Escrow Agent harmless from any and all losses, damages, claims, liabilities, judgments and other costs and expenses which may be claimed against or incurred by the Escrow Agent by reason of its acceptance of, and/or its performance under, the escrow agreement (other than those ultimately determined to have arisen out of the willful misconduct or gross negligence of the Escrow Agent), including, without limitation, attorneys' fees either paid to retained attorneys or amounts representing the fair value of legal services rendered to itself.

The Escrow Agent will maintain all records concerning the Escrow for seven years after the release of funds.

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

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust

funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow and trust funds shall prevail over any conflicting or inconsistent provision in this Plan or in an Agreement. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

3. Date of the First Closing

In the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections therefor, and if: (i) such amended budget exceeds the projected budget set forth herein by 25% or more; or (ii) the First Closing does not occur within 12 months after September 2006, the date set forth in Schedule B-1 as the commencement date for the projected First Year of Condominium Operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements within not less than 15 days after the presentation date of the amendment containing such revised budget or such 12 month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Deposits and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers.

4. Default

In the event that a Purchaser fails to close title on the date set for closing or otherwise fails to perform any other obligation under his or her Agreement, and such default is not cured within 30 days after Sponsor gives written notice to such Purchaser of the default, Sponsor, at its option, may cancel such Agreement and retain as liquidated damages the Deposit made by the Purchaser, together with all interest earned thereon, it being acknowledged and agreed by Sponsor and each Purchaser that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of such a default by a prospective Purchaser, and that the Deposit (including all interest) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred, including, without limitation, attorneys' fees, and shall be paid by Purchaser to Sponsor as Sponsor's sole and exclusive remedy. In such case, all rights, obligations and liabilities of Sponsor and the Purchaser to each other shall cease and terminate and Purchaser shall have no further liability to Sponsor in respect of the Agreement (except for those matters expressly specified therein or herein to survive the termination thereof); however, such Purchaser shall not have any right whatsoever to the return of all or any portion of its Deposit (or any interest thereon). The payment of the deposit (including all interest) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor.

Purchasers are advised that notwithstanding the foregoing, including, without limitation, Sponsor not having the right of specific performance, nothing herein shall be deemed

to grant Purchaser any right of rescission and/or right to the return of all or any portion of a Deposit except as expressly set forth in the Plan. In the event Sponsor elects not to cancel the Agreement as a result of the failure of the Purchaser to close on the date specified by Sponsor, or if Sponsor approves a request from the Purchaser to adjourn the closing date, then Sponsor may require that: (a) the Purchaser pay Sponsor interest at a rate of 0.04% per day (or such lower daily rate which is the legal limit, if 0.04% per day exceeds the legal limit) on the total Purchase Price, computed from the original closing date until the transaction is actually closed; and (b) all apportionments between Sponsor and the Purchaser be made as of the original closing date.

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 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 Agreement and who does not cure such default within such 30-day period may not be permitted any additional time to cure such default.

As provided in the form of Agreement, which is set forth in Part II of the Plan as Exhibit 1, the following occurrences, without limitation of any other term or provision thereof or of the Plan, shall constitute an event of default under a Purchaser's Agreement: (a) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; (b) the appointment of a non-bankruptcy trustee or receiver over Purchaser or Purchaser's property, or the filing of an involuntary petition in bankruptcy against Purchaser; or (c) the filing of a judgment or tax lien against Purchaser which Purchaser does not pay or bond within 30 days after the filing thereof.

5. Risk of Loss

The risk of loss to any Unit by fire or other casualty until the closing of title to such Unit (or an earlier taking of possession by the Purchaser) is assumed by Sponsor, but Sponsor has no obligation or liability to repair or restore any Unit. If a Unit is damaged or destroyed by fire or other casualty prior to the closing of title, but after the signing of an Agreement, and Sponsor gives written notice to the Purchaser of Sponsor's election to repair or restore the Unit, then the Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights, if any, of the Board, and other Unit Owners, belong entirely to Sponsor.

However, if Sponsor notifies the Purchaser in writing that it does not elect to repair or restore the Unit, or if the Unit Owners entitled to make such determination do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of the Unit Owners and the Board of Managers" in Part I of the Plan), the Agreement shall be deemed terminated, Sponsor shall return to the Purchaser the entire Deposit, together with interest earned thereon, and the parties shall be released and discharged from all rights, obligations and liability under the Agreement and this Plan, except that if the

Purchaser is then in default under the Agreement beyond any applicable grace period, Sponsor may retain such Purchaser's Deposit, together with interest earned thereon.

6. Financing

Although a Purchaser may obtain financing from any lending institution or any other source, the Purchaser's obligation pursuant to an Agreement to purchase a Unit shall not be contingent on the Purchaser obtaining a commitment for financing or actually obtaining financing for such purchase. In other words, a Purchaser shall remain obligated under an Agreement to purchase his or her Unit whether or not he or she is able to obtain financing. Neither Sponsor nor Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to finalize their financing arrangements before signing an Agreement. However, 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 liability as a result of any scheduling or adjournment of closing beyond the expiration of a loan commitment.

7. Transfer (and Mansion) Taxes

As described more fully in Section N below, Purchasers shall be responsible for the payment at closing of all New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax, notwithstanding that these taxes are by law principally the obligation of the seller. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to such tax. Purchasers shall also be obligated to pay the so-called "Mansion Tax," currently 1% of the consideration paid when the consideration is $1,000,000 or more, which tax by law is the primary obligation of the Purchaser.

8. Foreign Missions; Required Notification and Waiver of Diplomatic or Sovereign Immunity

Any Purchaser that is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, must notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor will not be bound under any Agreement with a foreign mission unless and until the earlier to occur of: (i) receipt of a notification of approval from the Department of State; or (ii) 60 days after receipt of such Purchaser's notice by the Department of State.

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) shall expressly and voluntarily waive such immunity and consent to any suit action or proceeding arising out of or relating to the Agreement being brought in any state or Federal court in the State of New York. Any such purchaser shall designate C.T. Corporation System, having its offices, at the date hereof, at 111 Eighth Avenue, New York, New York 10011 as its duly authorized and lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Agreement.

K. ASSIGNMENT OF AGREEMENTS

An Agreement may not be assigned by the Purchaser thereunder. If a Purchaser desires to assign its rights under an Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by, the Purchaser that differs from the name on the Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition, deletion or substitution is permitted by Sponsor (in Sponsor's sole discretion), the Purchaser will be required to deliver to Selling Agent or Sponsor's Counsel, four signed assignments of the Agreement (to be prepared by Sponsor's Counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), as well as three completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, in the form required by law. Upon each assignment or other change permitted by Sponsor (in its sole discretion), the assignments and Forms W-9 or Forms W-8BEN, as applicable, must be delivered to the Selling Agent or Sponsor's Counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of $850 made payable to "Kramer Levin Naftalis & Frankel LLP" (for services rendered in connection with the assignment), not less than 20 days prior to the date scheduled for the Purchaser's closing. In no event will the Purchaser (or its assignee or any added or substituted party) have the right to adjourn or postpone the closing as a result of such change or assignment. Sponsor is not obligated to consent to any such change or assignment and, if Sponsor refuses to consent, the Purchaser will not be excused from his or her obligations under the Agreement; and the prohibition against advertising or listing any Unit(s) for sale or resale with any broker or otherwise advertising, promoting or publicizing the availability of such Unit(s) for sale shall remain in effect.

In connection with the foregoing, if Purchaser is a corporation, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the stock of Purchaser, or if Purchaser is a partnership, a limited liability company or other entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any interest in such partnership, limited liability company or other entity shall be considered an assignment and shall be subject to the provisions, prohibitions and terms of the Plan concerning assignment, except that a sale of less than 50% of the stock, or in the case of a partnership, limited liability company or other entity, less than 50% of the ownership interests, of Purchaser which does not result in a change in control of Purchaser shall not be considered an assignment. For purposes of the preceding sentence only, "control" shall mean the ownership of 51% or more of the interests in such entity or possession of the power to direct the management and policies of such entity and the distribution of its profits.

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L. EFFECTIVE DATE

The offering by Sponsor of the Residential Units and Storage Units under the Plan is contingent upon the Plan being declared effective and upon compliance with the relevant conditions and time periods set forth in the Plan.

The Plan may be declared effective, at Sponsor's option, when bona fide Agreements (including those executed by investors) have been executed and are in effect with respect to not less than 38 Residential Units, representing 15% of the Residential Units offered hereby. The Plan must, however, be declared effective when bona fide Agreements have been executed and are in effect with respect to at least 200 Residential Units representing 80% or more of such Units.

The Plan will not be declared effective based on an Agreement: (i) signed by a Purchaser who has been granted a right of rescission that has not yet expired or been waived; (ii) signed by a Purchaser not afforded the three (3) business day period to review the Plan (prior to executing an Agreement) provided for in Part I, Section L hereof; or (iii) entered into with a Purchaser who is Sponsor, Selling Agent or the Managing Agent, or who is a principal of any of the foregoing or who is related to any of the foregoing or any principal thereof by blood, marriage or adoption or as a business associate, employee, shareholder or limited partner, except that such a Purchaser (other than Sponsor or a principal of Sponsor) may be included if Sponsor submits proof satisfactory to the Department of Law establishing that such Purchaser is bona fide. Except as otherwise limited by this Section of the Plan, all Units shall be counted toward declaring the Plan effective.

The Plan will be declared effective either by: (i) an amendment to the Plan; or (ii) mailing or delivering personally to each Offeree a written notice to such effect, in which event Sponsor will submit an amendment to the Plan to the Department of Law confirming that the Plan was declared effective on a specified date within five days after such mailing or delivery. The First Closing will not occur until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

The Plan may be withdrawn or abandoned by Sponsor, at its option, for any reason whatsoever at any time prior to its being declared effective. Once the Plan has been declared effective, it may not be abandoned or withdrawn, except that prior to the First Closing, the Plan may be abandoned at the option of Sponsor in the event of: (i) the existence of one or more defects in title (including violations of record or work orders of an insurance carrier) affecting any one or more Units and/or the Common Elements which cannot be cured, removed or complied with except through litigation or the expenditure of more than one-half of one percent of the total initial offering hereunder in the aggregate (as estimated by Sponsor); (ii) substantial damage to or destruction of the Building (or any portion thereof) by fire or other casualty which cannot be cured or repaired for less than $1,675,107.50 (as estimated by Sponsor); or (iii) a taking of all or a material portion of the Property by condemnation or eminent domain. In calculating the costs referred to in clauses (i) and (ii) above, any defects in title (including violations or work orders) that existed on the date the Units were initially offered for sale under the Plan, and were either known to Sponsor or were a matter of public record, and attorneys' fees, shall be excluded.

In the event of a withdrawal or abandonment of the Plan, Sponsor will promptly submit an amendment to the Department of Law to such effect, together with such forms as may be required by law. Purchasers will be notified in writing of a withdrawal or abandonment of the Plan. All Deposits, together with any interest earned thereon, will be returned to Purchasers within 20 days following such withdrawal or abandonment, except that after the Plan has been declared effective, Sponsor may retain the Deposit, together with interest earned thereon, of any Purchaser who is then in default under his or her Agreement beyond the applicable grace period or whose Agreement has been cancelled due to such Purchaser's default, provided, however, that any requisite notice has been given to the Purchaser and any dispute with respect to the disposition of the Deposit has been determined in favor of Sponsor pursuant to the dispute resolution procedures provided by the regulations promulgated by the Department of Law. Upon the return or retention of the Deposit, together with interest earned thereon, the Agreement pursuant to which such Deposit was given will be null and void and Sponsor will have no further obligation or liability to the Purchaser under the Plan or such Agreement.

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M. TERMS OF SALE

1. Prerequisites to Closing of Title

The terms "closing" or "closing of title" as used in this Plan refer to Sponsor's conveyance of title to a Unit to a Purchaser by the delivery of a deed, upon payment by the Purchaser to Sponsor of the balance of the purchase price for such Unit. The closing of title to each Unit shall take place only after or concurrently with the satisfaction of the following prerequisites:

(a) the Plan has been declared effective in accordance with its terms and the amendment to the Plan disclosing same has been accepted;

(b) a temporary or permanent certificate of occupancy for the Unit is in effect (unless Sponsor and such Purchaser otherwise agree in writing or Sponsor is unable to obtain such temporary or permanent certificate of occupancy for the Unit as a result of special work being done in the Unit at the request of the Purchaser);

(c) the Declaration, By-Laws, Floor Plans and such other documents as may be required by law have been filed or recorded, as the case may be, or have been submitted to Sponsor's title insurance company for filing or recording;

(d) at least 30 days' prior written notice of the initial time and place of the closing of title has been given to the Purchaser (unless a Purchaser chooses to waive such 30-day notice);

(e) the Purchaser or Purchaser's designee has been given an opportunity to examine the Unit within the week prior to the closing; and

(f) the Unit and its appurtenant interest in the Common Elements have been released from the lien of all mortgages encumbering the Property.

2. Closing of Title; Payment of Balance of Purchase Price

At the closing of title to each Unit, Sponsor shall execute and deliver to the Purchaser a bargain and sale deed with covenant against grantor's acts, substantially in the form of the Unit Deed set forth as Exhibit 3 in Part II of the Plan, conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances. The Purchaser shall also sign the Unit Deed.

Simultaneously with the delivery of the Unit Deed, the Purchaser shall pay the balance of the purchase price and the closing apportionments and costs described in "Unit Closing Costs and Adjustments" in Part I, Section N below. Payments shall be by official bank or cashier's check or unendorsed certified check drawn on or issued by a bank or trust company which is a member of the New York Clearing House Association, payable to the direct order of Sponsor or to such other party or parties as Sponsor notifies the Purchaser prior to the closing. Purchasers are advised that uncertified attorney escrow checks and other non-conforming checks may not be accepted by Sponsor. Any delay in closing occasioned by the presentation of such

checks shall be deemed to have been caused by Purchaser and may, at the option of Sponsor, constitute a default under the Agreement and/or give rise to additional costs or expenses to be borne by Purchaser.

3. Tax Returns and Power of Attorney

Each Purchaser will also be required to execute and deliver at the closing: (i) a New York City Real Property Transfer Tax Return and New York State Real Estate Transfer Tax Return and Credit Line Mortgage Certificate, in the forms required to be filed by law; and (ii) a Unit Owner Power of Attorney substantially in the form set forth in Part II of the Plan as Exhibit 2 to the persons who shall from time to time constitute the Board, designating such Board as the Purchaser's attorney-in-fact, for the purpose of acquiring or leasing in the name of the Board or its designee on behalf of all Unit Owners any Residential Unit and to otherwise deal with the Condominium and the Common Elements, all in accordance with the provisions of the Declaration and the By-Laws; and after any such acquisition or leasing of any Unit, to manage, convey, sell, lease, sublease, mortgage or otherwise deal with any such Unit so acquired or leased, as the case may be, all in accordance with the provisions of the Declaration and By-Laws.

4. Tax-Deferred Exchanges

The form of Agreement (Exhibit 1 in Part II of the Plan) provides that in the event a Unit is being acquired by a Purchaser as part of a tax-deferred exchange under §1031 of the Internal Revenue Code, Sponsor shall reasonably assist and cooperate in such tax-deferred exchange, provided, however, that: (i) any action taken in connection with such tax-deferred exchange or requested of Sponsor shall not result in any cost, expense or liability on the part of Sponsor or increased risk to Sponsor relating to the transaction (and, among other things, Purchaser acknowledges that a fee may be payable to Sponsor's Counsel in connection with the review of any documentation related to such tax-deferred exchange); (ii) no action or failure on the part of the Purchaser (or any other party to such tax-deferred exchange) or cooperation on the part of Sponsor in connection with or related to the tax-deferred exchange will frustrate the purpose of the Agreement or otherwise result in a reduction of Sponsor's rights, remedies and privileges under the Agreement or increase any of Sponsor's obligations or duties under the Agreement or otherwise; and (iii) Sponsor shall not be obligated, as part of such tax-deferred exchange, to convey any property (other than the Unit), acquire any property, or accept any form of payment in respect of any of the amounts due under the Agreement other than as set forth therein or in the Plan. Purchaser shall indemnify, defend and hold Sponsor harmless from and against any and all costs, expenses, fees (including, without limitation, reasonable attorneys' fees and expenses) or liabilities incurred by Sponsor in connection with or resulting from the tax-deferred exchange, and such indemnity shall survive the closing of title to the Unit. Notwithstanding the foregoing, Sponsor makes no representation and expresses no opinion with respect to the applicability of §1031 of the Internal Revenue Code to the purchase or acquisition of a Unit.

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N. UNIT CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Agreement, in addition to the Purchaser's own legal fees, the Purchaser will pay the following closing costs at the time of the closing of title of such Purchaser's Unit:

1. Title Insurance: If the Purchaser elects to obtain fee title insurance, the Purchaser will pay the premium therefor, which premium will vary depending upon the amount of insurance purchased. A reduced rate for fee and mortgagee title insurance may be available if the Purchaser obtains a mortgage loan, and fee and mortgagee title insurance are ordered simultaneously. A Purchaser may obtain title insurance from any title insurance company selected by Purchaser. Sponsor makes no representation or warranty regarding the terms of any such insurance.

2. Recording Charges: The fees charged by the City Register's Office for recording the Unit Deed, Unit Owner Power of Attorney and mortgage (if any), in the amount of $32.00 for each document, plus $5.00 per page (including the cover page), shall be payable by Purchaser, plus the $75.00 filing fee for the RP-5217 form shall be payable by the Purchaser. In addition, a Purchaser's title insurance company may charge various fees and service charges in connection with such recordings and filings, which shall be payable by Purchaser.

3. Transfer Taxes and Mansion Tax: The New York City Real Property Transfer Tax ("RPT Tax"), which currently, for the purchase of a single Residential Unit, is 1% of the Purchase Price of a Unit if such Purchase Price is $500,000 or less and 1.425% of the Purchase Price if such Purchase Price is over $500,000; and the New York State Real Estate Transfer Tax ("NYS Tax"), presently $2 for each $500 (or part thereof) of the Purchase Price of a Unit For purposes of calculating the taxes payable, the amounts of such taxes which are the primary obligation of the seller but are paid by Purchaser will be included in the consideration subject to tax. Therefore, the steps to compute the taxes payable are:

(i) multiply the Purchase Price by the RPT Tax rate to compute the tentative RPT Tax;
(ii) multiply the Purchase Price by the NYS Tax rate to compute the tentative NYS Tax;
(iii) add the tentative RPT Tax and tentative NYS Tax to the Purchase Price;
(iv) multiply (iii) by the RPT Tax rate to determine the actual RPT Tax payable; and
(v) multiply (iii) by the NYS Tax rate to determine the actual NYS Tax payable.

As an example, in respect of a Residential Unit with a Purchase price of $1,100,000 the transfer tax calculation is as follows: (i) $1,100,000 x 1.425% = $15,675; (ii) $1,100,000/$500 x $2 = $4,400; (iii) $1,100,000 + $20,075 = $1,120,075; (iv) $1,120,075 x 1.425% = $15,961.07; (v) $1,120,075/$500 x $2 = $4,480. Mansion Tax (described below) in the amount of $11,201.75 would also be payable.

Under the current policies of the City of New York Department of Finance, where a purchaser purchases two or more Residential Units that have not been physically combined into a single residence before the transfer, the RPT Tax rate where the consideration is $500,000 or

less will be 1.425%, and the tax rate where the consideration is in excess of $500,000 will be 2.625%; and this may be the case even if the Residential Units are transferred to the purchaser pursuant to separate sales contracts with separate closing dates. The City of New York Department of Finance has taken the position that the consideration for the transfer of a Unit under a deed is not aggregated with the consideration for the transfer of other Units under separate deeds for purposes of determining total consideration. There is no guarantee that The City of New York will not change its positions with respect to the foregoing.

Purchaser shall also pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax," which is currently 1% of the Purchase Price (including such taxes as are deemed part of the consideration).

4. Mortgage Tax Credit. In order to reimburse Sponsor for the mortgage recording tax previously paid in connection with any existing mortgage(s), if the Purchaser: (a) obtains a mortgage loan, the Purchaser will pay to Sponsor an amount equal to the partial mortgage tax credit which may be available pursuant to Section 339-ee(2) of the New York State Condominium Act; or (b) assumes or consents to the continuation of a mortgage lien encumbering only such Purchaser's Unit and as a result is entitled to an exemption of all or a portion of the mortgage tax otherwise payable, the Purchaser will pay to Sponsor an amount equal to such exemption, but in no event will the amount payable by the Purchaser to Sponsor exceed the amount of mortgage tax which would have been payable by the Purchaser to the taxing authority if such mortgage tax credit or exemption had not been available to the Purchaser.

5. Mortgage and Related Costs: If the Purchaser obtains a mortgage loan, the Purchaser will be responsible for the payment of all mortgage recording taxes (taking into account however any payments made pursuant to subparagraph (4) above) and closing costs and expenses in connection therewith, in amounts determined by Purchaser's lender, which closing costs may include, but are not limited to, the fees of such lender's counsel, recording charges and mortgage title insurance. Currently, the mortgage recording tax in New York City applicable to individual residential condominium Units is 2% with respect to mortgages of less than $500,000 and 2.125% with respect to mortgages in the amount of $500,000 or more (less, in each case, a $25.00 credit). Mortgage lenders may require borrowers to pay the additional tax levied in the amount of 0.25% on all mortgages affecting residential condominium Units; and in addition, deposits for Common Charges, real estate taxes, fire and casualty insurance premiums, assessments and water charges and sewer rents may be required by the Purchaser's lender. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage financing from any sources. As previously stated in subparagraph 4 above, if a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure solely to the benefit of Sponsor and such Purchaser will cooperate with Sponsor in obtaining such credit. Accordingly, at Closing, each Purchaser utilizing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed and Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

6. Closing Fees: For each Unit, the sum of $1,250 payable to Sponsor's Counsel to reimburse Sponsor for a portion of its legal fees incurred in connection with the closing of title

of the Purchaser's Unit. If Purchaser obtains financing and the lender is unwilling to close at the offices of Sponsor's Counsel, or if the Purchaser otherwise requests the Closing to occur other than at the office of Sponsor's Counsel (or such other place as Sponsor may designate in its closing notice), the closing may be held elsewhere in New York City, provided that an additional travel fee is paid to Sponsor's Counsel equal to: (a) $500 if the closing is held elsewhere in Manhattan; and (b) $750 if the closing is held in a borough other than Manhattan. In addition: (i) if the closing is adjourned through no fault of Sponsor, the Purchaser will be required to pay to Sponsor's Counsel an additional fee of $600 for each adjournment to help defray the cost of preparing for and coordinating the new closing; (ii) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Agreement, or for the addition, deletion or substitution of names on the Agreement, a fee of $850, payable in advance, for preparation of an assignment agreement; and (iii) if Purchaser obtains mortgage financing, then Purchaser shall pay Sponsor's Counsel an additional fee of $500 to defray the additional costs associated therewith. As of the filing date of this Plan, Insurance Department has interpreted Section 6409(d) of the New York Insurance Law as prohibiting a seller of real property from requiring a purchaser of real property to pay a fee for using a title abstract company/title agent of the purchaser's choice while exempting a purchaser who uses the title abstract company/title agent chosen by the seller from paying such fee. In the event of a change or clarification of, or applicable ruling with respect to, such interpretation permitting the charging of such fee: if Purchaser chooses (or is required by its lender) to obtain title insurance, Purchaser may use any title insurance company it desires, however, if Purchaser shall use an abstract company or title insurance company other than: (a) Title Associates, Inc. (825 Third Avenue; New York, New York 10022; Attn: Michelle Cruz Bingham; (212) 758-0050), (b) First American Title Insurance Company of New York (633 Third Avenue; New York, New York 10017; Attn: Michael Stoller or Steven Farber; (212) 922-9700), or (c) Fidelity National Title Insurance Company of New York (2 Park Avenue; New York, New York 10016; Attn: Neil Clark; (212) 845-3103) or such other or additional company/ies designated by Sponsor in an amendment to this Plan (any of the foregoing, the "Title Company") and Sponsor incurs any additional legal fees or expenses as a result of such other company's form of title report or clearing the title exceptions, or addressing the requirements, of such other abstract or title insurance company, then Purchaser shall reimburse Sponsor or pay directly to Sponsor's Counsel the amount of such legal fees and expenses so incurred, not to exceed $650 per closing. Purchaser may be required to pay more than one fee pursuant to the preceding provisions of this paragraph with respect to a single Unit. Other additional charges may apply. At Sponsor's option (in its sole discretion), any one or more of the foregoing fees to be paid to Sponsor's Counsel shall be paid by Purchaser prior to closing upon notice to Purchaser.

7. Working Capital: A contribution to the Working Capital Fund in an amount equal to two months' Common Charges then in effect for the Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time.

8. Common Charges: In addition to the contribution to the Working Capital Fund as described in paragraph 7 above, Purchaser will pay to the Board the Common Charges for the Unit for the first full month following the month in which title closes. If Purchaser is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), Purchaser shall pay to the Board an amount equal to the Common

Charges for such Unit for a period of two years as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of the By-Laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of the By-Laws, the Board may use, apply, or retain the whole or any part of the security so paid in advance to the extent required for the payment of any Common Charges or any other sum as to which such Unit Owner is in default; and such Unit Owner shall, within 30 days after notice from the Board, deposit with such Board the amount so applied or retained so that at the option of the Board, such Board shall have the full amount of said security on hand at all times.

The following table illustrates the projected closing costs (based on current rates) for a typical Residential Unit purchased by a Purchaser at a Purchase Price of $1,175,000, assuming such Purchaser finances 70% (i.e., $822,500) of the purchase price:

Fee Title Insurance (if purchased simultaneously with mortgage title insurance)	$3,605.00
Fee for recording Unit Deed (7 pages) and Unit Owner's Power of Attorney (5 pages)	$124.00
Mortgage Loan Closing Costs	
- recording mortgage (assuming 20 pages)	$132.00
- mortgage recording tax (at 2.125% of $822,500, less $25.00 credit and 0.25% to be paid by lending institution) (Purchaser may be required to pay a portion of such tax) directly to Sponsor)	$17,453.13
- mortgage title insurance (if purchased simultaneously with fee insurance)	$667.00
- other bank charges ("assuming points" of 1% of mortgage amount, an appraisal fee of $400 and legal fees of $500 and assuming further that the lender does not require Purchaser to deposit funds to establish a real estate tax escrow)	$9,125.00
New York City Real Property Transfer Tax and New York State Deed Stamps	$17,124.32
New York State Mansion Tax	$4,786.00
Working Capital Payment	$1,880.00

Closing Fee (assuming the closing occurs at the offices of Sponsor's Counsel) and, other than in respect of a mortgage, Purchaser has not incurred any additional fees as set forth above)	$1,750.00
Total	$56,646.45

The projected closing costs referred to above are approximate and are not guaranteed. The mortgage loan closing costs vary widely among different lenders and also will vary depending on the loan program chosen.

At the closing, adjustments will be made between Sponsor and the Purchaser with respect to: (a) real estate taxes and assessments, if any (including water charges and sewer rents if separately assessed) on the basis of the period for which assessed; (b) Common Charges for the month in which title closes; and (c) accrued rent and any other charges pursuant to any interim lease or occupancy or other rental agreement affecting the Unit, if the Purchaser had been allowed to lease, occupy or rent such Unit prior to the closing. Real estate taxes will be adjusted at closing between Sponsor and each Purchaser based on the period for which real estate taxes have been prepaid by Sponsor either directly to the taxing authority or as part of the Common Charges to the Board. If real estate taxes have been separately assessed to each Unit as of the closing, then the adjustment shall be based on the Unit's actual taxes for such period. If the real estate taxes have not been separately assessed against each Unit as of the closing, then the adjustment shall be determined by allocating to the Unit a prorated portion of the actual taxes for the entire Property for such period determined as provided in the By-Laws.

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O. RIGHTS AND OBLIGATIONS OF SPONSOR

1. Sponsor's Obligations

a. Construction

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

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, governmental restrictions, acts of god or other events beyond its reasonable control, construction of the Building will be sufficiently completed to permit closings of title to Residential Units to begin in or about September 2006. Prospective Purchasers should note, however, that the Residential Units will be completed at differing times over a period that may begin prior to and/or extend significantly beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Residential Unit or otherwise be relieved from any obligations under the Agreement, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Residential Unit is accelerated, delayed or postponed by Sponsor, provided, however, that in the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections and if: (i) the amended budget exceeds the projected budget set forth herein by 25% or more; or (ii) the First Closing does not occur within 12 months after September 2006, the date set forth in Schedule B as the commencement date for the projected First Year of Condominium Operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements within not less than 15 days after the presentation date of the amendment containing such revised budget or after such 12-month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Deposit and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. As set forth in the Section of this Plan entitled "Effective Date," no closing of title to any Unit will take place prior to the Plan being declared effective.

Sponsor reserves the right, without prior notice to Purchasers or amendment of this Plan (but subject to obtaining any required approval(s) of any governmental authorities having jurisdiction), to: (a) amend from time to time any of the Plans and Specifications (including changes in layouts and designs and changes affecting the materials, appliances, equipment, fixtures and other construction details); and/or (b) substitute materials, appliances,

equipment and fixtures that are of equivalent or better quality and design in place of those described in the Plans and Specifications. Any such change, if material (for example, variations in square footage in excess of 5%), shall be disclosed by Sponsor in a duly filed amendment to the Plan and, when applicable, to the Declaration. No such change will be made if the same would materially adversely affect any Purchaser under an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's control, and where no practicable alternative (in the exercise of sound construction management practices) exists, and in such event, Sponsor will, in the amendment disclosing such material adverse change, offer the affected Purchaser(s) the right, for at least 15 days, to rescind their Agreement(s) and receive a refund of their Deposit(s), together with all interest earned thereon. However, as long as the layout and dimensions of a Residential Unit conform substantially to the Plans and Specifications, a Purchaser will not be excused from purchasing a Unit by reason of a minor, non-material deviation or change and will not have any claim against Sponsor as a result thereof.

The issuance of a temporary or permanent Certificate of Occupancy for the entire Building shall be deemed presumptive evidence that the construction of the Building and its appurtenances and all of the Units has been substantially completed in accordance with this Plan and the Plans and Specifications. However, notwithstanding the foregoing, Sponsor or its representatives will correct, repair or replace all defects in the construction of the Building and its appurtenances and the Units offered hereby, or in the installation or operation of any appliances, fixtures or equipment in the same, or will cause the same to be corrected, repaired or replaced, but only if such defects are due to improper workmanship or material substantially at variance with the Plans and Specifications, and Sponsor is notified by the Board or the affected Unit Owner in writing of such defect: (i) as to the Common Elements, within one year from the earlier of the issuance of a temporary Certificate of Occupancy for the portion of the Building subject to such defect or the date of substantial completion of the portion(s) of the Common Elements which is claimed to be defective; or (ii) as to any Unit, on or prior to the date of closing for such Unit, except that if any such defect in a Unit can be detected only by occupancy of the Unit, Sponsor will correct such defect if notified in writing by the Unit Owner within one year from the earlier of the closing of title to such Unit or the commencement date of an interim lease for such Unit. Notwithstanding the foregoing, Sponsor will not be responsible for correcting any defects in construction or installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen or others are assigned to the Board or Unit Owners; or for any condition resulting from normal wear and tear or natural deterioration or from normal settling or shifting of the Building, or for defects of an insubstantial nature, such as, without limitation, partial or total demise of any landscape improvements, nail pops, ridging on gypsum board or sheet rock walls, lumber shrinkage, doors or windows sticking due to weather, door warpage, grouting cracks, scratches in formica or porcelain surfaces, bath and kitchen tile grouting cracks, adjustment of any bi-fold doors, walls not square, electrical plates not straight, discolorations or shrinkages, normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, ceiling imperfections, slight separation in joints

of kitchen tile or wood flooring, warping, cupping or creaking of wood flooring or any nicks, scratches, gouges, imperfections or discolorations thereof, floors out of level, variations in width, length or tone of wood floor strips or other flooring or floor finishes, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any consequential damage resulting from settling (including, without limitation, concrete or drywall cracks which do not impair the structural soundness of the Building), normal plumbing, heating and air conditioning noises, or carpet discoloring and stretching; or for paint touch-ups or for repair of chips, mars, breaks or other defects in windows, and window sashes, sliding glass doors, lighting fixtures and globes, interior painted surfaces, sinks, tubs, bowls, shower doors, kitchen cabinets, counter tops, vanity tops and bases, medicine cabinets, doors, mirrors, saddles, appliances, woodwork, doors, hardware, flooring and appliance cabinets, salting, or color variation in exterior colored mortar and deep colored brick, ponding and/or controlled drainage on the roof surface, or cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair shall be made by filling the stone or formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica or porcelain surfaces. Except as expressly set forth herein, Sponsor has no obligation to make any repairs of any kind. In no event shall Sponsor be liable for special or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations under the Plan shall be to repair or, at Sponsor's option, replace any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), subject to the terms and conditions set forth in this paragraph, provided, however, that nothing contained herein is intended to relieve Sponsor of liability for actual damages resulting from property damage or personal injury arising as a result of negligence of Sponsor or its authorized agents or employees in connection with the transactions contemplated in the Plan.

Sponsor shall not be obligated to correct and will not be liable to any Purchaser as a result of: (i) any insubstantial variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Plan; or (ii) variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Plan which are neither in violation of applicable building codes, nor require the approval of any governmental authority having jurisdiction, provided such variations are of substantially similar or better quality than as set forth in the Plans and Specifications or description in this Plan. Any such variation which is material will be disclosed in a duly filed amendment to the Plan.

Each Unit offered hereby and the fixtures and personal property contained therein, are being sold and delivered "AS IS," as described in the Plan at the time of transfer of title to such Unit, unless Sponsor and the Purchaser of such Unit otherwise agree in writing. The Purchaser of a Unit shall inspect such Unit prior to the closing date and shall execute at such time an inspection statement acknowledging the Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if a Purchaser finds that Sponsor's improvements as described in the Plan or in the Agreement for such Unit or other writing duly executed and delivered by Sponsor, have not been fully completed, although such improvements have been substantially completed, then Sponsor or its designated representative and the Purchaser will at the time of such execution agree upon and set forth in the inspection

statement a list of the incomplete work to be completed in the Unit by Sponsor following the closing for such Unit.

Purchasers are advised that the toilet currently specified in the Description of Property and Building Condition (Exhibit 5 in Part II of the Plan) does not meet the ADA standard height for the toilet seat. Upon request by any Purchaser made in writing prior to closing, Sponsor will provide at no cost to the Purchaser a substitute which is ADA compliant.

The Housing Merchant Implied Warranty Law (New York State General Business Law Article 36-B) does not apply to this offering.

b. Real Property Law §339-kk

Section 339-kk of the Real Property Law ("RPL"), a copy of which is set forth in Part II of the Plan, applies to all condominiums in the State of New York, and provides additional financial protection for a condominium association if the sponsor or other non-occupant Unit Owner of a Unit fails to make monthly payments for common charges, assessments and late fees due in connection with such owner's Units.

With respect to unsold Units of a condominium owned by a sponsor or by any other non-occupant Unit owner and occupied by a tenant, RPL §339-kk provides as follows:

(a) If payment of common charges, assessments or late fees by any non-occupant Unit owner is more than 60 days late after the expiration of any grace period within which they are due, payments from a tenant of such Unit may become directly payable to the condominium upon written notice by the condominium to the tenant and the non-occupant Unit owner. Where a majority of the condominium board has been elected by Unit owners who are in occupancy of their respective Units, the condominium board may elect not to require that the rental payments be paid to the condominium. Once the common charges, assessments and late fees of the non-occupant Unit owner have been brought current, the condominium board must notify the non-occupant Unit owners and tenant within three business days and thereafter the rental payments will be payable to the non-occupant Unit owner or a designated agent.

(b) Payment by a tenant of rent or the amount required pursuant to the tenant's lease or statutory tenancy to the condominium pursuant to the RPL §339-kk, relieves the tenant from the obligation to pay rent to the non-occupying Residential Unit owner.

(c) Any rights existing under any other laws are not limited by RPL §339-kk.

(d) A non-occupant Unit owner who disputes a condominium's claim to rental payments is entitled to present facts supporting such owner's position at the next scheduled meeting of the condominium board, which must be held within 30 days after receipt of notice that the Unit owner seeks to dispute the condominium's claim.

Sponsor makes no representation or guarantee that any Unit Owner (other than Sponsor), any tenant, or the Condominium, will in fact comply with RPL §339-kk, and Sponsor shall have no liability for their failure to do so.

In addition, Sponsor makes no representation as to (i) RPL §339-kk's effect on the lien priority of a loan heretofore or hereafter made to a non-occupant Owner and secured by a Unit, or whether RPL §339-kk's enactment or compliance therewith by a tenant constitutes a default by the Unit Owner under said loan, (ii) RPL 339-kk's effect on assignments of leases and rents given by a non-occupant Owner to mortgagee in connection with purchase-money financing or otherwise, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Board after notice from the Board (in accordance with RPL §339-kk) to do so, (iv) the consequence of the Board's failure to give notice to a tenant, or (v) who is responsible for designating an agent to whom rental payments are to be made after the non-occupant Unit Owner is brought current in payment of Common Charges, assessments and late fees.

No representation is made about the tax effects of RPL §339-kk.

Prospective Purchasers should review RPL §339-kk to determine its effect on their own situation.

c. Payment of Expenses

All costs and expenses in connection with the construction of the Building and its appurtenances (including all sums properly due to contractors, subcontractors, suppliers and all others involved in such construction for work performed and fixtures, material and equipment supplied or installed) will be paid by Sponsor. Sponsor will cause all mechanic's liens arising out of the construction of the Building to be bonded or discharged promptly after Sponsor receives notice of the filing of the same. Alternatively, Sponsor will cause the Title Company or the title insurance company insuring a Purchaser's title to a Unit to affirmatively insure against collection of such liens out of, or enforcement of the same against, such Unit by posting a bond or bonds or escrowing a sum of money. However, if a Purchaser's title insurance company refuses to grant such affirmative insurance and the Title Company would have been willing to grant the same at its regular rates without additional premium, neither such lack of affirmative insurance nor the existence of the liens in question will constitute a valid objection to title.

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

d. Assignment of Warranties

Upon the recording of the Declaration, Sponsor will deliver, assign or otherwise grant to the Board, on behalf of all Unit Owners, the right to proceed under any assignable warranties and other undertakings received by Sponsor from its contractors, suppliers or others in connection with the construction and equipping of the Building, except that warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in any Residential Unit shall be assigned to the Purchaser of such Unit on the date of closing of title

thereto. Certain warranties with respect to the Building will be held by the Board on behalf of all Unit Owners and/or certain Commercial Unit Owners as to whose Units such warranties pertain.

e. Certificate of Occupancy

If, as of the First Closing, only a temporary Certificate of Occupancy has been issued for the Building, Sponsor will use all reasonable diligence to cause the New York City Department of Buildings to continuously renew the temporary Certificate of Occupancy until a permanent Certificate of Occupancy for all of the Units has been issued. Sponsor will, at its sole expense, do and perform, or cause to be done and performed, all such work (subject to events and circumstances beyond Sponsor's reasonable control, e.g., casualty, strikes, governmental restrictions, acts of god, etc.), and will supply, or cause to be supplied, all such materials, and will submit or cause to be submitted all such documentation, and shall pay all applicable fees required by the New York City Department of Buildings that shall be necessary in order to cause the temporary Certificate of Occupancy to be continuously renewed until a permanent Certificate of Occupancy for the Building has been issued, as well as to obtain any requisite certificates or permits relative to the electrical work, plumbing, heating and air-conditioning facilities and elevators at the Building. Prospective Purchasers are advised that permanent Certificates of Occupancy are required for permanent use of the Building, and that a temporary Certificate of Occupancy may be renewed only for a total of two years from the first date of issuance.

In the event that a permanent Certificate of Occupancy has not been issued for the Building as of the First Closing, Sponsor will place in escrow with Sponsor's Counsel, an unconditional irrevocable letter of credit issued by an institutional lender, a surety bond from an institutional lender or recognized bonding company acceptable to the Department of Law, or cash, in each case in an amount equal to the cost of the work remaining to be done by Sponsor in order to obtain a permanent Certificate of Occupancy, as certified by a registered architect, certified engineer or construction manager selected by Sponsor. If Sponsor has placed cash in escrow, such funds will be held by Sponsor's Counsel in escrow in a separate bank account. All interest and income on such escrowed funds will be paid to Sponsor, as and when earned and collected. The escrow funds will be released to Sponsor from time to time, as the work progresses, upon delivery to Sponsor's Counsel of a certificate issued by Sponsor's registered architect, certified engineer or construction manager stating that the remaining amount is sufficient to complete the balance of the work remaining to be done by Sponsor in order to obtain a permanent Certificate of Occupancy. Sponsor's Counsel will rely entirely upon such certificate in releasing such funds and will not make any independent inquiry or evaluation. Any remaining balance of the escrow funds will be released to Sponsor upon the issuance of a permanent Certificate of Occupancy for the Building. If Sponsor has deposited a letter of credit or surety bond, it will be subject to periodic reduction in amount upon the same terms as described above for the reduction and release of a cash deposit.

Following the issuance of a permanent Certificate of Occupancy for the Building, Sponsor will deliver to the Board a complete set of architectural drawings and a complete set of mechanical, electrical, plumbing and sprinkler "as-built" drawings for the entire Building.

f. Architect's Inspection and Certification

In accordance with Section 339-p of the New York Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans are an accurate copy of portions of the plans of the Building as filed with appropriate governmental authorities. In addition, such architect or professional engineer shall make periodic inspections at various stages of construction to determine that the Building is constructed in accordance with such plans. The inspection reports shall be available at Sponsor's Office and the Department of Law for examination by the Board for a period of six years from the date of the Plan.

g. Payment of Common Charges and Real Estate Taxes

Sponsor will pay all Common Charges, real estate taxes and special assessments attributable to the Unsold Units in accordance with the provisions of the By-Laws. Sponsor expects to have the financial resources to meet the aforesaid obligations with respect to Unsold Units and fund same from income from projected sales, the rental or leasing of Unsold Units and Sponsor's other financial resources. No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, special assessments or real estate taxes with respect to Unsold Units.

h. Insurance

Sponsor will initially procure on behalf of the Board, to take effect on or before the date of the First Closing, the insurance relating to the Condominium which is required to be maintained by the Board in accordance with the provisions of the By-Laws (see "Rights and Obligations of the Unit Owners and the Board of Managers" in Part I, Section R), the cost of which insurance has been reflected in the Projected Budget set forth as Schedule B in Part I, Section E. Such required coverage(s) may be satisfied by any so-called builder's risk policy obtained by Sponsor in connection with the construction of the Building, provided the limits and terms of coverage set forth in Schedule B are provided under such policy. To the extent any such policy obtained and paid for by Sponsor shall satisfy the insurance requirements of the Board for the Condominium in respect of any period following the First Closing, the Board shall reimburse Sponsor for its prorated share of the cost of such coverage.

i. Right of Access

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan, performing certain alterations and repairs in or about the Unsold Units and exercising its other rights or performing its other obligations under the Plan. Sponsor will repair any damage caused as a result of such access and will use reasonable efforts to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes.

j. Dissolution

In the event of the dissolution or liquidation of Sponsor, or the transfer of ten (10) or more units or twenty percent (20%) or more of the total number of units in the Condominium, whichever is less, to a single Purchaser, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under the Plan and applicable laws or regulations (including, without limitation, Sponsor's representation that will endeavor in good faith to sell the Units offered hereunder but subject to the reservation of the unconditional right to rent or lease, rather than sell, such Units).

k. General

Sponsor's representations, warranties and covenants under this Section of the Plan will survive the delivery of the deeds to the respective Units only for the time periods set forth above. The obligations of Sponsor to pay Common Charges and to perform its other duties as a Unit Owner with respect to any Unsold Units will survive for as long as Sponsor owns the same.

Sponsor agrees to indemnify the Board and the Residential Unit Owners against, hold them harmless from and defend on their behalf any suits, proceedings, or claims arising out of any default by Sponsor in performing its obligations under this Plan or any breach of any representation expressly made by Sponsor in this Plan and resulting: (a) as to any Unit, from any occurrence taking place prior to the closing of title to such Unit; or (b) as to the Common Elements, from any occurrence taking place prior to the First Closing. However, Sponsor will not be liable for, or obligated to defend, any suits, proceedings or claims arising out of any occurrence taking place from and after the respective dates set forth above, except those arising out of any negligence or violation of Article 23A of the New York State General Business Law by Sponsor or as explicitly stated in this Plan.

The obligations of Sponsor hereunder shall be enforceable by the Board on behalf of all Unit Owners. Obligations of Sponsor shall be enforceable by individual Unit Owners if either: (i) the Board fails to take reasonable action to enforce such obligations within 90 days following the giving of notice of such claim by any Unit Owner to the Board; or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Board will expire during the aforesaid 90-day period.

Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. Sponsor's ability to perform its obligations under the Plan will depend on its financial condition from time to time. No warranty is made that Sponsor will be financially able to perform all or any of such obligations.

l. Use of Unsold Units

Sponsor and its designee reserve the right to use or occupy or to rent, hire or lease any Unsold Unit to any Purchaser or non-purchasers at any time, both before and after the First Closing (provided that a permanent or temporary Certificate of Occupancy covering each such Unit has been obtained). Sponsor will endeavor in good faith to sell, but nevertheless, reserves

the unconditional right, to rent or lease such Unit to Purchasers and others. As a result, Purchaser may be acquiring a Unit that has been previously occupied, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at closing free and clear of all leases and tenancies and rights of occupancy. Moreover, once an Agreement is signed for a Unit, and for so long as such Agreement is in effect, such Unit may be leased only to the Purchaser listed on the Agreement.

Notwithstanding the foregoing or anything contained herein, in the Declaration, By-Laws or the Rules and Regulations to the contrary, Sponsor or its designee may, without the permission of the Board use or grant permission for the use of any Unsold Unit (as hereinafter defined) for any purpose, including, but not limited to, the use of any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations as to any such use.

m. Alterations of Unsold Units

Sponsor shall have the right, pursuant (and subject) to the terms of the Declaration and the By-Laws, as the same may be amended from time to time, without the approval of the Board or any other Unit Owner or any Mortgagee, to make any alterations, additions, improvements or repairs in or to any Unsold Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary (including, without limitation, the right to combine two or more Unsold Units, or to add more Units by subdividing Unsold Units or to change the number of rooms in, as well as the size, layout and square foot area of any Unsold Unit. An initial purchaser of an Unsold Unit shall have the right, without the approval of the Board, but subject to By-Laws provisions regarding the same, to make any alterations, additions, improvements or repairs in or to such Unit, provided that such purchaser obtains all necessary approvals required by law and that Sponsor has consented to the same in writing at or prior to the closing of title to such Unit, which consent Sponsor may withhold or condition in its sole and absolute discretion. Absent Sponsor's consent thereto, Purchasers shall have rights in respect of alterations as are set forth in Article 6 of the By-Laws and described generally in the Section of the Plan entitled "Rights and Obligations of Residential Unit Owners and the Board" below.

Sponsor reserves the right to sell two or more Units and to designate the purchaser of such block(s) of Units as a "sponsor" under this Plan. The party so designated as a "sponsor" will have those additional rights and obligations (including the obligation to comply with all applicable Legal Requirements) applicable to a "sponsor" as more fully described in the Plan.

n. Reservation of Air and Development Rights

Sponsor has retained and expressly reserves all excess air or developmental rights (collectively, the "Air Rights") otherwise appurtenant to the Property and not used in connection with the original construction of the Building as described in this Plan. As a result, unless Air Rights are separately acquired therefor on behalf of the Condominium or a Unit Owner, as the case may be, any future expansion of the Building by the board of managers or of a Unit by any Unit Owner as may otherwise be permitted pursuant to any applicable laws and otherwise, may not be possible or may be limited. Further, as a result of such reservation by Sponsor, Sponsor

may transfer or sell such Air Rights to the owner(s) of adjoining properties and in such case such properties may be increased as a result of such transfer or sale.

The Air Rights reserved by Sponsor will not be used to add additional floors to the top of the Building. Except in the case of a sale or transfer for use in connection with other properties (in which event, if the sale is to an adjoining property, buildings built thereon may be higher than otherwise permitted and may block certain views), the reserved Air Rights will be used in the Property solely for the purpose of reconfiguring certain areas (e.g., adding mezzanine space, converting mechanical space to space used for other purposes) which, pursuant to the applicable provision of the Zoning Resolution, will require the use of Air Right in excess of those used in connection with the initial construction of the Building in accordance with the Plan. In addition, Sponsor has no plans at this time to utilize or transfer any such excess Air Rights.

o. Miscellaneous

The owner of Commercial Unit 1 and/or its designee (and their respective successors and assigns) shall have the right and an easement to erect, use, lease, license, maintain, repair, replace, and operate a platform and other facilities for the purpose of erecting, using, leasing, licensing, maintaining, repairing, replacing and operating antennae, satellite dishes and other communications equipment on any part of the roof of the Building (which is otherwise a Common Element) that is not occupied by any Building installations, without the consent of, or charge by, the Board or any other Unit Owners. Any obligations and rights of the landlord under any such lease or any other similar lease hereafter entered into by such Commercial Unit Owner shall be the obligations and rights, respectively, solely of such Commercial Unit Owner and not of the Condominium. The Residential Unit Owners will not have any interest in the rents, profits or revenues from the rental, use or sale of any such space pursuant to the aforementioned easements and rights.

Sponsor and its designees shall have the right, until the tenth anniversary of the First Closing, to use portions of the Building, without charge, for exhibitions or for other promotional functions with respect to Sponsor's sales program or otherwise.

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P. CONTROL BY SPONSOR

Until the first annual meeting of the Unit Owners (the "First Annual Meeting"), the Board shall consist of three persons designated by Sponsor. Sponsor anticipates designating the following persons as the initial Board members (all of whom are experienced in real estate matters and familiar with the Property): Steven Charno, Adam Mann and Steven Fisch. Sponsor will amend the Plan prior to the First Closing in the event such three persons shall not constitute the initial Board members. The First Annual Meeting shall be held not later than 30 days following the later to occur of: (a) the first anniversary of the First Closing; or (b) the closing of title to Units representing at least 50% both in number and aggregate Common Interests of all Units to Purchasers; and at such meeting, the incumbent three-member Board designated by Sponsor will resign and a new Board, consisting of seven members, will be elected and/or designated by the Unit Owners and Sponsor, as the case may be, as described below. As a result of the foregoing, there is no provision in the By-laws that assures a majority of the Board will be Unit Owners, Unit occupants or members of a Unit Owner or Unit occupant's household who are unrelated to Sponsor and its principal within two years after the First Closing. In addition, because Sponsor has the unconditional right to rent or lease the Units, there is no commitment to sell more Units than the 15 percent of Units necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the condominium.

From and after the First Annual Meeting, the Board shall consist of seven members -- five members elected by the Unit Owners (including Sponsor) and two members designated by the Commercial Unit Owners (with one appointed by the owner of each of Commercial Unit 1 and Commercial Unit 2; although it is intended initially that Sponsor will own both such Units). The Commercial Unit Owners shall at all times have the right to designate such two Board members as aforesaid.

At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests appertaining to the Units owned by Sponsor as it sees fit. However, in addition, at elections of the Board held before the expiration of the Initial Control Period, Sponsor and/or its designee shall have the right to elect and/or designate not more than four members of the Board, in the aggregate, who are related to or affiliated with Sponsor, such designee or other Unsold Unit Owner(s), and Sponsor, such designee and all other Unit Owners shall have the right to elect the remaining three members of the Board who shall not be related to or affiliated with Sponsor, such designee or other Unsold Unit Owners.

Accordingly, until the expiration of the Initial Control Period, if: (i) Sponsor (or its affiliate) owns both Commercial Units, Sponsor and/or its designee shall designate the two members of the Board designated by the Commercial Unit Owners and two additional members of the Board (all of whom may be persons related to or affiliated with Sponsor and/or its designee or other Unsold Unit Owner) and Sponsor, such designee and all other Unit Owners shall elect the three remaining Board members; (ii) Sponsor (or its affiliate) owns only one of the Commercial Units, Sponsor and/or its designee shall designate one of the two members of the Board designated by the Commercial Unit Owners and three additional members of the Board (all of whom may be persons related to or affiliated with Sponsor and/or its designee or other Unsold Unit Owner), the other Commercial Unit Owner shall designate the other of the two members designated by the Commercial Unit Owners, and Sponsor and/or its designee and all

other Unit Owners shall elect the two remaining Board members; and (iii) Sponsor (or its designee) is not entitled to appoint either of the two members of the Board to be designated by the Commercial Unit Owners, Sponsor and/or its designee shall designate four members of the Board (all of whom may be persons related to or affiliated with Sponsor and/or its designee or other Unsold Unit Owner), the Commercial Unit Owners shall designate the two members of the Board to be designated by the Commercial Unit Owners, and Sponsor and/or its designee and all other Unit Owners shall elect the one remaining Board member.

In addition, at elections of members to the Board held after the expiration of the Initial Control Period but while Sponsor and/or its designee still owns at least two Residential Units, Sponsor and/or its designee shall have the right to elect or designate not more than one member of the Board (in addition to any member(s) designated by Sponsor as the Unit Owner of one or more of the Commercial Unit), who may be persons related to or affiliated with Sponsor, such designee or other Unsold Unit Owner; and Sponsor, such designee and all other Unit Owners shall have the right to elect (or in the case of the Commercial Unit Owners, to designate) the remaining members of the Board.

Accordingly, from and after the expiration of the Initial Control Period, at least four of the seven members of the Board shall not be designated by Sponsor or its designee. There is no restriction on the right of the right of Sponsor and/or its designee(s) or other Unsold Unit Owner(s) to vote for members of the Board who are not related to or affiliated with Sponsor or such designee or such Unsold Unit Owner(s). The number of members of the Board may not be increased without the consent of the owner(s) of the Unsold Units, for so long as there remains at least one Unsold Unit.

Until Sponsor no longer designates a majority of the members of the Board, Sponsor will, through its control of the Board, be able to control the maintenance and operation of, and the services to be provided by, the Condominium, and also the determination of Common Charges to be paid by all Unit Owners. Prospective Purchasers should be advised that Unit Owners, Unit occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., for use as a home as opposed to as an investment.

Moreover, during the Initial Control Period, the Board may not, without the prior written consent of Sponsor: (i) make any addition, alteration or improvement to the Common Elements or any Unit (unless required by any applicable Legal Requirements); (ii) assess any Common Charges for the creation of, addition to or replacement of all or any reserve, contingency or surplus fund; (iii) increase or decrease the number of, or change the kind of, employees initially hired for the Building, as provided for in the First Year's Budget; (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services; (v) borrow money on behalf of the Condominium (other than the indebtedness in connection with the Resident Manager's Unit (as defined below) or unless any such borrowing is approved by the owners of Units representing at least 75% both in number and aggregate Common Interests of all Units); or (vi) exercise any right of first refusal to lease or purchase a Residential Unit. However, the Board may perform any function or take any action enumerated in subsections (i) through (vi)

hereinabove without the consent of Sponsor if, and only if, the performance of such function or the carrying out of such action is necessary, and no other alternative is available, either to enable the Board to comply with any Legal Requirements, or to remedy any notice of violation entered against the Condominium, or to comply with any proper work order by an insurer of the Building, or for the health and safety (but not the general comfort or welfare) of the occupants of the Building.

Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required to comply with any Legal Requirements applicable to the Building, or to remedy any notice of violation entered against the Building or to comply with any proper work order by an insurer of the Building. Sponsor may, however, exercise veto power over expenses other than those described in the preceding sentence, to the extent provided in the Plan, for a period ending not more than five (5) years after the First Closing or whenever the Unsold Units constitute less than 25% of the Common Interest, whichever is sooner.

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Q. THE CONDOMINIUM BOARD

1. General

The affairs of the Condominium shall be governed by the Board. The Board shall initially consist of three members designated by Sponsor until the First Annual Meeting of Unit Owners, at which time the incumbent Board will resign and a new Board, consisting of seven members, will be elected and/or designated by the Unit Owners and Sponsor, as the case may be, as follows: five members elected by the Unit Owners (including Sponsor) and two members designated by the Commercial Unit Owners (with one appointed by the owner of each of Commercial Unit 1 and Commercial Unit 2; although it is intended initially that Sponsor will own both such Units). The Commercial Unit Owners shall at all times have the right to designate such two Board members as aforesaid. The First Annual Meeting shall be held not later than 30 days following the later to occur of: (a) the first anniversary of the First Closing; or (b) the closing of title to Units representing at least 50% both in number and aggregate Common Interests of all Units to Purchasers. (See Part I, Sections P, Q and R). As a result of the foregoing, there is no provision in the By-laws that assures a majority of the Board will be Unit Owners, Unit occupants or members of a Unit Owner or Unit occupant's household who are unrelated to Sponsor and its principal within two years after the First Closing. In addition, because Sponsor has the unconditional right to rent or lease the Units, there is no commitment to sell more Units than the 15 percent of Units necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the condominium. (See "Meetings and Votes of Unit Owners" in this Section below and "Control by Sponsor" in Part I, Section P).

The term of office of each of the seven members comprising the Board elected or designated at the First Annual Meeting shall be fixed at such meeting as follows: (a) three of such members will serve for a term of approximately three years; (b) three of such members will serve for a term of approximately two years; and (c) one of such members will serve for a term of approximately one year. Those members of the first seven-member Board who receive the highest number of votes will serve for the longest terms of office, but except as set forth in the By-Laws, any members elected or designated by Sponsor or its designee as the owner of Unsold Units shall serve for the shortest terms of office. At each annual meeting of Unit Owners subsequent to the first such meeting, the Unit Owners shall elect (or in the case of the Commercial Unit Owner(s), designate) Board members to replace the Board members whose terms of office are then expiring, each to serve a term of office fixed at three years. Notwithstanding the expiration of the term of office of a member of the Board or anything contained herein to the contrary, each member of the Board (including any member designated by Sponsor or its designee as the owner of Unsold Units) shall serve until a successor has been elected and qualified. Subject to the requirements described in the Section of the Plan entitled "Control by Sponsor", there shall be no limit on the number of terms of office, successive or otherwise, that a Board member (including any member of the Board designated by Sponsor or the Commercial Unit Owners) may serve.

Except for Board members elected or designated by Sponsor or its designee or by a Commercial Unit Owner, all members of the Board shall be: (i) individual Unit Owners or Permitted Mortgagees of Units; (ii) partners or employees of a partnership owning, or holding a

mortgage encumbering, a Unit; (iii) officers, directors, stockholders or employees of corporate owners or corporate Permitted Mortgagees of Units; (iv) members or employees of a limited liability company owning, or holding a Permitted Mortgage encumbering, a Unit; (v) fiduciaries or their beneficiaries who are owners or Permitted Mortgagees of Units (or officers, directors, employees or stockholders of corporate fiduciaries or partners or employees of partnership fiduciaries); (vi) adult family members or spouses of any of the foregoing individuals; or (vii) individuals designated by a sovereign government, consulate or other similar entity that is a Unit Owner or a mortgagee of a Unit. Other than Board members elected or designated by Sponsor or its designee or by a Commercial Unit Owner, no Board member shall continue to serve after he or she ceases to be qualified as set forth above.

Prospective Purchasers are advised that Unit Owners, Unit occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., for use as a home as opposed to as an investment.

In no event shall any Unit Owner (or its proxy) or another interested party be eligible for election to the Board, and any such Unit Owner (or its proxy) or other party may be removed as a Board member by a majority vote of the other Board members, if such Unit Owner is then in arrears, beyond any applicable grace period, in the payment of Common Charges or any other amounts required by the Board to be paid. In addition, no member of the Board (or his or her proxy) may continue to participate as a member thereof after the Board has perfected a lien against his or her Unit, for so long as such lien remains unsatisfied.

Members of the Board shall serve without compensation. All officers, Board members and employees of the Building will be bonded at all times from and after the First Closing under fidelity bonds in favor of the Condominium. The cost of the bonds has been provided for in the estimate of the Common Charges contained in Schedule B in Part I, Section E.

2. Powers and Duties of and Determinations by Board of Managers

The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. As more fully set forth in the By-Laws, all determinations required to be made by the Board shall be by majority of the votes cast at any meeting at which a quorum is present, unless otherwise expressly provided in the By-Laws.

3. Meetings and Votes of Unit Owners

After the First Annual Meeting as described above, annual meetings of Unit Owners will be held within approximately four weeks of the anniversary of the First Annual Meeting on a date to be set by the Board. At each such meeting, the Unit Owners shall elect or designate, as the case may be, members to replace those members of the Board whose terms have expired. In addition, special meetings may be held from time to time pursuant to the By-Laws. At all meetings of Unit Owners, the presence in person or by proxy of more than 50% of the Common Interests attributable to all Units shall constitute a quorum and, except as otherwise

provided in the By-Laws or Declaration, a majority of votes cast at any such meeting at which a quorum is present or is not required shall be binding on all Unit Owners.

Each Unit Owner, upon obtaining title, will in accordance with Section 339-e of the Real Property Law, automatically have the right to vote at all meetings of the Unit Owners, based upon the Common Interest appurtenant to each of the Unit or Units owned by such Unit Owner, and at all such meetings, each Unit Owner (or his or her proxy) entitled to vote thereat (including Sponsor or its designee with respect to Unsold Units) shall be entitled to cast one vote for each .0001% of interest in the Common Elements attributable to his or her Unit or Units.

4. Officers

The principal officers of the Condominium will be the President, Vice-President and Secretary/Treasurer, all of whom shall be elected by the Board. The Board may also appoint additional officers as the Board in its judgment may deem advisable.

None of the officers of the Condominium need be Unit Owners or have any interest therein or be members of the Board; except that, from and after the first organizational meeting of the Board after the First Annual Meeting, the President of the Condominium must be a member of the Board.

Upon the affirmative vote of a majority of the members of the Board, present in person or by proxy at a regular meeting of such Board, or at a special meeting of such Board called for such purpose, at which a quorum is present or is otherwise not required, any officer may be removed, either with or without cause, and his or her successor shall be elected.

5. Liability of the Board and the Unit Owners

To the extent permitted by applicable law, Board members shall have no liability to the Unit Owners, except that a Board member shall be liable for his or her own bad faith or willful misconduct. The Board may contract or effect any other transaction with any Board member, 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. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Board member against any liability or claim except those arising out of the bad faith or willful misconduct of such member.

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

1. Sales and Leases of Units

Each Residential Unit Owner may sell his or her Unit or lease his or her Unit for terms of one (1) year or more, provided, in each case, such Unit Owner first gives the Board notice of intention to sell or lease such Unit, accompanied by a fully executed copy of the contract of sale or lease, as the case may be. The Board shall then have the right to purchase or lease the Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically set forth in Article 8 of the By-Laws. If the Board does not elect to purchase or lease the Unit within 20 days after receipt of the notice, or waives such election in writing, the Unit Owner will have 60 days thereafter to consummate the transaction set forth in the contract of sale or lease with the prospective purchaser or lessee, as the case may be, as more particularly set forth in Section 8.1 of the By-Laws. In the event that such sale or lease is not consummated, or if such contract or lease is renegotiated or modified in any way (whether orally, in writing or by a side agreement) to be on terms less favorable to the Unit Owner, the Unit Owner will be required again to offer the same first to the Board. The Board may not exercise its option to purchase or lease any Unit without prior approval of a majority in interest of Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. Any such lease shall be in the form and substance then approved by the Board (as the same may be changed from time to time), including provisions such as a prohibition on assignment or subletting. The Board shall have the right to release or waive such option without the prior approval or a vote of the Unit Owners.

In connection with the foregoing, the Board may not discriminate against any person on the basis of race, creed, color, national origin, gender, sexual orientation, age, disability, marital status or other grounds prohibited by law.

If a Residential Unit Owner is a corporation, any sale, assignment, transfer or other disposition of any of its stock, or if a Residential Unit Owner is a partnership, limited liability company or other entity, any sale, assignment, transfer or other disposition of any interest in such partnership, company or other entity, in each case other than through any recognized national securities exchange or "over-the-counter" market, which results in a change in the majority beneficial or legal ownership of such entity, shall also subject the Unit owned by such entity to the requirement that the Unit first be offered to the Board for purchase or lease, as described above.

Notwithstanding the foregoing, without complying with the foregoing restrictions, a Residential Unit Owner may sell, lease or convey his or her Unit, and the owner of any interest in a Unit Owner which is a corporation, partnership, limited liability company or other entity, may sell, lease or convey such interest, to an affiliate or one or more family members, as hereinafter defined, or convey a Unit or interest in a Unit Owner, as the case may be, by gift, or devise it by will, or have it pass by intestacy. (An "affiliate" is defined for purposes hereof as a person or entity that owns 50% or more of the legal and beneficial interest of such Unit Owner or owner of an interest in a Unit Owner, as the case may be, or an entity with respect to which such Unit Owner or owner of an interest in a Unit Owner owns 50% or more of the legal and

beneficial interest, and "family member" is defined for purposes hereof as a spouse, adult child, parent or adult sibling, or a trust for the benefit of any one or more of the foregoing and/or one or more minor children of any of the foregoing.) Article 8 of the By-Laws more specifically describes the right of first refusal and those situations in which a Unit Owner may sell or convey his or her Unit to a related or controlled individual or entity.

The restrictions upon the sale or lease of Residential Units shall not apply to Sponsor or its designee with respect to any Unsold Units, to the Board, to any Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, or the Commercial Units; such Units may be sold to anyone without first being offered for sale to the Board.

Such restrictions will also not apply to the sale of a Storage Unit. However, to protect the security of the Building, any owner or lessee of any such Storage Unit must also at all times be (if the owner of such Storage Unit) the owner, or (if the lessee of such Storage Unit) the lessee or owner, of a Residential Unit, provided, however that the foregoing restrictions shall not apply: (i) to Sponsor or its designee; (ii) to the Board its designees; or (iii) to the acquisition of a Storage Unit pursuant to an action to foreclose a lien arising out of non-payment of real estate taxes or assessments or a mortgage encumbering such Storage Unit, but, in each of the foregoing cases "(ii)" and "(iii)", shall apply to the subsequent sale or lease of such Storage Unit by such person or entity acquiring such Unit in such a manner. Furthermore, if an action shall be brought to foreclose a lien on a Storage Unit arising out of non-payment of real estate taxes or assessments, the Board, acting on behalf of all Unit Owners, shall be obligated to purchase the Storage Unit at the foreclosure sale, in the name of the Board or its designee, corporate or otherwise. There are no restrictions upon the number of Storage Units any Purchaser may purchase at any time or from time to time. It is anticipated that Storage Units will be sold on a first-come, first-served basis.

Each conveyance of a Unit by the Owner thereof shall include as part of the property to be conveyed, such Unit Owner's (i) undivided interest in the Common Elements, (ii) undivided interest in any Unit or Units acquired by the Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit) and (iii) undivided interest in any other asset of the Condominium. No part of a Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest appertains or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Unit Owners.

A Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and satisfied at or prior to closing. In addition, the Board may establish reasonable fees for the processing of such offers for sale or lease, which shall be payable by the selling or leasing Unit Owner to the Managing Agent.

2. Use of Residential Units

A Residential Unit may be used only as a residence and, subject to compliance with the By-Laws, for a lawful home occupation. Each such Residential Unit may only be occupied by: (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit Owner

or permitted lessee; (iii) any partner or employee of any partnership which is a Residential Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Residential Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Residential Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Residential Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Residential Unit and is not being designated to use the Residential Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of or in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of any of the foregoing.

There is no limit on the number of Unit Owners who may purchase a Unit for investment, rather than for personal occupancy, purposes. As such, there may always be a substantial percentage of Unit Owners who are non-residents of the Condominium.

3. General Provisions with Respect to Use

No portion of a Residential Unit, other than the entire Residential Unit, may be leased. No nuisance or offensive or unlawful use shall be allowed in the Condominium or any portion thereof. All laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Board, whoever shall have the obligation to maintain or repair such portion of the Property.

The Rules and Regulations concerning the use of the Residential Units may be amended from time to time by the Board, provided that copies thereof are furnished to each Residential Unit Owner prior to the time that they become effective. Further provisions with respect to the use of the Units are set forth in the By-Laws and the Rules and Regulations. However, no amendment of the Rules and Regulations will apply to Sponsor, the Commercial Units or the Unsold Units, unless agreed to by all the owners of same who are affected by such amendment.

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

4. Mortgage of Units by Unit Owners

Each Unit Owner may mortgage his or her Unit, in accordance with the provisions of Article 7 of the By-Laws, which requires that the Board be notified in writing of the making of such mortgage and receive a conformed copy of the note and mortgage and that the Unit

Owner first satisfy all unpaid liens against the Unit, other than Permitted Mortgages. Each Commercial Unit Owner shall have the right to mortgage or otherwise encumber its Commercial Unit without any restriction or limitation.

5. Common Charges: Determination and Assessment

At least once per year, the Board will prepare or cause to be prepared a budget setting forth its projections of the Common Expenses for the next fiscal year and will allocate and assess the Common Expenses among: (a) the Residential Units and Storage Units, (b) Commercial Unit 1, and (c) Commercial Unit 2. The Common Charges payable by each Residential Unit Owner or Storage Unit Owner will be in proportion to the Unit's percentage Common Interest compared to the total of all Residential and Storage Units. Each Commercial Unit Owner will be assessed Common Charges to meet the share of only those Common Expenses allocated to such Commercial Unit. As discussed in the footnotes to Schedule B and in Article 6 of the By-Laws, the Commercial Unit Owners' shares of Common Expenses will be limited to a share of only certain components of the Common Expenses.

The respective Common Interests of the Units, as estimated by Sponsor, have been allocated to each Unit 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 shares use and the overall dimensions of the particular Unit, in accordance with Section 339-i(1)(iv) of the New York State Real Property Law.

The Board will furnish copies of the budgets to all Unit Owners and advise each Unit Owner of the amount of Common Charges payable. Unless otherwise determined by the Board, Common Charges will be payable in monthly installments, in advance, on the first day of each month.

6. Collection and Lien for Non-Payment of Common Charges

Unit Owners may not exempt themselves from liability for Common Charges by waiving use of any of the Common Elements or by abandoning their Units. No Unit Owner, however, will be liable for the payment for any part of the Common Charges assessed against his or her Unit subsequent to a permissible sale, transfer or other conveyance by him or her of such Unit. In addition, as more specifically set forth in Section 6.2 of the By-Laws, a Unit Owner, by conveying his or her Unit (without consideration) to the Board and provided that such Unit is free and clear of liens and encumbrances other than the statutory lien for unpaid Common Charges (provided no amounts are owing under any such lien) and that no violation of the Declaration, the By-Laws or the Rules and Regulations then exists with respect to such Unit, may be exempt from Common Charges thereafter accruing.

On a resale of any Unit, the purchaser will be liable for the payment of any unpaid Common Charges against such Unit; except that, to the extent then permitted by law, a Permitted Mortgagee acquiring a Residential Unit at a foreclosure sale will not be liable for a lien for the payment of Common Charges assessed against such Residential Unit for the period following the recording of the Permitted Mortgagee and prior to such Residential Unit's acquisition by the

Permitted Mortgagee. However, such Permitted Mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. In the event of a foreclosure by the Board of its lien on any Unit for unpaid Common Charges, or otherwise, if the net proceeds of the foreclosure sale are insufficient for the payment of such unpaid charges, or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the original Unit Owner can be sued for the unpaid balance. The Board will also have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

Pursuant to Section 339-z of the Real Property Law and under the provisions of the By-Laws, the Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges together with interest thereon, assessed against such Unit. All such liens, however, to the extent permitted by applicable Law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Pursuant to Section 339-aa of the Real Property Law, any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the City Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall occur sooner. Such liens may be foreclosed by a suit brought in the name of the Board (acting on behalf of all Residential Unit Owners) in the same manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board to recover unpaid Common Charges without foreclosing such lien. In addition, the Board may assess Unit Owners a late charge of $.04 for each dollar of Common Charges which remains unpaid for more than 10 days after the date when due, and interest at the rate of 1.5% per month on such unpaid amounts (plus any "late charges" theretofore collected), plus all expenses of collection. Sponsor obligates itself to cause any members of the Board related to or affiliated with Sponsor to vote in favor of filing a lien against any Unsold Units owned by Sponsor with respect to which payments of Common Charges have not been made within 30 days after the date when due.

7. Borrowing by Board

The Board may, at any time, borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations, additions or improvements to, or alterations or replacements of, the General Common Elements or Residential Limited Common Elements, respectively; provided, however, that: (A) except as otherwise provided in the By-Laws, the consent of at least 66-2/3% in common interest of all Unit Owners or all Residential Unit Owners, as the case may be, shall be required for any borrowings for such purposes with respect to the General Common Elements or Residential Limited Common Elements, respectively, if such borrowings are in excess of $100,000 (subject to increase by the CPI Increase Factor) in total any one fiscal year or $250,000 (subject to increase by the CPI Increase Factor) in the aggregate (including borrowings from prior periods) at any one time; (B) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements (except to the extent permitted by applicable law) without the prior written consent of the owner of such Unit; and (C) no Unit Owner other than the Residential Unit Owners shall be liable for the repayment of any such borrowing with respect to the Residential Limited Common Elements exclusively, and the loan documentation in such case shall so provide. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be

deemed trust funds for the purpose of paying such debt. The Board cannot secure such debt by a lien on the Common Elements without the consent of all Unit Owners.

In addition to the debt described above, the Board, without approval of the Unit Owners may, at any time, incur, or refinance, debt from time secured by a lien on the Resident Manager's Unit or any other Unit acquired by the Board pursuant to the Declaration and/or By-Laws; provided, however, that no such financing or refinancing 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 in the Common Elements. If any sum borrowed by the Board is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his or her interest in the Common Elements bears to the interest of either all Unit Owners or all Residential Unit Owners (depending on whether the borrowing was made on behalf of all Unit Owners or only the Residential Unit Owners, respectively), in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit, and all loan documentation entered into by or on behalf of the Board shall specifically so provide. The dollar amounts set forth above and all other dollar amounts referenced elsewhere in the By-laws, shall be adjusted to reflect any increase in the cost of living, as reflected by an increase in the CPI Increase Factor (as described in the By-Laws).

8. Repairs to and Maintenance of Units and Common Elements

Except as may otherwise be provided in the By-Laws, generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, or ordinary or extraordinary (a) in or to any Unit (other than, in general, to the Common Elements included therein) will be made by the Owner of such Unit at his or her expense, (b) in or to the General Common Elements will be made by the Board and the expense thereof will be charged to the Unit Owners as a Common Expense or (c) in or to the Residential Limited Common Elements will be made by the Board and the expense thereof will be charged to all Residential Unit Owners in the proportion that their respective Common Interests bear to the aggregate Common Interests of all Residential Unit Owners. Without limiting the foregoing, Unit Owners shall be responsible for all maintenance, repairs and replacements of all plumbing, appliances and lighting fixtures, and heating and air conditioning units in their respective Units. Notwithstanding the foregoing, each Residential Unit Owner shall be responsible for all ordinary maintenance and cleaning of each Terrace appurtenant to its Residential Unit; however, the costs and expenses of any repairs or replacements, structural or otherwise with respect to each such Terrace (unless caused by or attributable to the applicable Unit Owner), shall be charged to all Residential Unit Owners as a Common Expense.

Each Unit Owner shall promptly comply with all Legal Requirements applicable to his or her Unit. No Unit Owner shall use or permit the use of Hazardous Materials (as defined in the By-Laws) on, about, under, or in his or her Unit or the Property. Each Unit Owner agrees to indemnify and hold harmless the Board and each other Unit Owner from and against any and all claims or demands, including any action or proceeding brought thereon, and all costs, losses, expenses and liabilities of any kind relating thereto, including, but not limited to, costs of investigation, remedial response, and reasonable attorneys' fees and cost of suit, arising out of or

resulting from any Hazardous Material used or permitted to be used by such Unit Owner on, about, under or in his or her Unit or the Property.

The washing and cleaning of the interior and exterior glass surfaces of all windows in the Residential Units shall be the responsibility of the respective Residential Unit Owners. All window interiors shall be cleaned a minimum of two times per calendar year. The Board may from time to time enforce the responsibility of Unit Owners to wash and clean the interior and exterior surfaces of windows located in their respective Units and charge the defaulting Residential Unit Owner therefor. Residential Unit Owners are prohibited from cleaning or allowing to be cleaned any window from the outside in violation of Section 202 of the New York State Labor Law (which requires certain safety measures to be provided for the protection of the public and window washers where windows are washed from the outside), any other applicable Legal Requirements, any insurance policy or requirement or otherwise.

If any repairs or replacements to the Common Elements, whether structural or non-structural, ordinary or extraordinary, or any replacement of glass windows in any Unit because of breakage or otherwise, are necessitated by the negligence, misuse or abuse of a Unit Owner or such Unit Owner's agents, workers, guests, etc., such maintenance, repairs or replacements will be made by the Board, and any portion of the cost thereof which is not covered by the insurance maintained by the Board shall be paid by such Unit Owner.

In order to promote a consistent appearance of the Building from the outside, unless waived by the Board, any window treatments or shades installed and maintained in any Residential Unit must have a neutral-colored backing on the sides facing the windows in its Unit, which window treatments and backings must conform to any specifications (including a new color) established from time to time by the Board. Neither the interior nor the exterior glass surfaces of any windows located in any Residential Unit may be altered, colored or painted.

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in a clean and sanitary condition, and in good working order (and all portions thereof exposed to public view shall be kept in a neat appearance and in first-class condition in accordance with the high quality, character and dignity of the Building), in each case, by the Unit Owner or the Board, whichever is responsible, under the By-Laws, for the maintenance thereof. In the event that any Unit Owner fails to keep his or her Unit in such condition, the Board, at the expense of such Unit Owner, may enter such Unit and perform such acts as are necessary to cure such default. (See subsection entitled "Rights of Access" below.)

Any alteration, addition, improvement or repair in or to a Unit or any Common Elements must comply with all legal requirements.

9. Alterations and Improvements of Units

No Residential Unit Owner or Storage Unit Owner may make any alteration, addition, improvement or repair in or to such Unit Owner's Unit that affects the structure of the Building and/or the Building's systems without the prior written approval of the Board but, as more fully set forth in the Declaration and By-Laws, this provision does not apply to an Unsold Unit. Except as otherwise permitted in the Declaration and By-Laws, no Unit Owner may make

any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the Board. The Board may impose fees upon such Unit Owner to reimburse the Condominium for costs incurred in connection with the review or supervision of such Unit Owner's work.

Each Commercial Unit Owner may make alterations, additions, improvements and repairs in or to its Commercial Unit (including any decorations that are compatible with the first class character and location of the Building) without obtaining the approval of the Board, except that Alterations which would affect the structural, mechanical, electrical or plumbing elements of the Building, or the exterior appearance of the Building, shall be subject to the approval of the Board, which approval shall not be unreasonably withheld. In the event that a dispute arises between any Commercial Unit Owner and the Board regarding any Alteration subject to the Board's approval, such dispute shall be submitted to arbitration in accordance with the By-Laws.

The Board, at its option, may require a Residential Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made. Any Unit Owner making or permitting an alteration, addition, improvement or repair in its Unit is required by the By-Laws to (i) obtain such insurance as the Board or the Managing Agent may require, (ii) indemnify the Board, all other Unit Owners and the Managing Agent against any liability arising from the work, (iii) reimburse the Board for its architectural, engineering and legal fees incurred in connection with such work, (iv) employ such architects, engineers, contractors, workers, suppliers and other laborers who are reasonably acceptable to the Board and Managing Agent; and (v) perform such work in a manner which will not interfere with, or cause any labor disturbances or stoppages (which may result from, among other things, the use of non-union labor) in, the work of Sponsor, the Board, the Commercial Unit Owners, or other contractors or subcontractors employed by such parties or otherwise in the Building. In addition, no work or change by or on behalf of a Residential Unit Owner will be permitted without the consent of the Board (which consent may be withheld or conditioned in the sole discretion of such Board) if such work or change would result in a delay in obtaining a temporary or permanent Certificate of Occupancy for the Building, or any amendment to, or extension of, the same if theretofore issued.

The foregoing restrictions affecting Residential Units and Storage Units shall not apply to Sponsor or its designee in respect of the Unsold Units or to the Commercial Units. There are no restrictions on the ability of Sponsor or its designee to alter or improve any Unsold Unit (including, without limitation, dividing, subdividing and combining one or more Unsold Units or portions of same). Additionally, to the extent permitted by law, and subject to certain restrictions set forth in the Declaration and By-Laws, the Commercial Unit Owners will each have the right with regard to its Unit, without the consent of the Board, the Managing Agent, other Unit Owners, or any other party, to mortgage or otherwise hypothecate its Unit, to decorate or make alterations, additions or improvements to its Unit (except that alterations, additions or improvements which would affect the structural, mechanical, electrical or plumbing elements of the Building or the exterior appearance of the Building shall be subject to the approval, not to be unreasonably withheld, of the Board) and to combine or subdivide its Commercial Unit into one or more new constituted Commercial Units.

Furthermore, an initial purchaser of an Unsold Unit shall have the right, without the approval of the Board, to make any alterations, additions, improvements or repairs in or to such Unit, provided that such purchaser obtains all necessary approvals required by law and that Sponsor has consented to the same in writing at or prior to the closing of title to such Unit, which consent Sponsor may withhold or condition in its sole and absolute discretion.

Any alteration, addition, improvement or repair in or to a Unit or any Common Elements must comply with all Legal Requirements.

10. Alterations and Improvements of Common Elements

Generally, all alterations, additions or improvements in or to the Common Elements will be made by the Board. Except as otherwise provided in the By-Laws, the costs of alterations, additions or improvements to the General Common Elements will be charged to all Unit Owners as a Common Expense; and costs attributable to the Residential Limited Common Elements will be charged to all Residential Unit Owners and Storage Unit Owners in the proportion that their respective Common Interests bear to the aggregate Common Interests of all Residential and Storage Unit Owners. Whenever, in the judgment of the Board, the Common Elements require additions, alterations, improvements, or repairs which are capital in nature and would cost more than $250,000 (subject to increase by the CPI Increase Factor), in the aggregate, in any calendar year, such additions, alterations, improvements or repairs may not be made unless the same have been approved by the Unit Owners owning a majority of the Common Interests of all Units liable for the cost thereof pursuant to the preceding sentence, including Sponsor, if it then owns any Unit, at a duly constituted meeting of Unit Owners and by the representatives of institutional mortgagees of Units, if any, appointed pursuant to the By-Laws (the "Mortgagee Representatives"), or unless the same is a non-capital repair or necessary to comply with applicable Legal Requirements, to remedy any violation imposed against the Property, to comply with a proper work order of an insurer of the Property, or for the health or safety (but not the general comfort or welfare) of the residents or occupants of the Property. In any such event, the Board may, in its discretion, assess each Unit Owner liable therefor for his or her pro-rata share of the cost of such additions, alterations, or improvements, according to his or her Common Interest, as part of the Common Charges.

Any additions, alterations, or improvements costing $250,000 (subject to increase by the CPI Increase Factor) or less, in the aggregate, in any calendar year or which is a non-capital repair may be made by the Board without the approval of the Unit Owners.

Notwithstanding the foregoing, elevator landings which serve fewer than three Residential Units may be decorated and/or furnished by the adjoining Unit Owners as they desire, at their expense, provided that each such Unit Owner consents in writing thereto, and the Board gives its written consent to such decoration and/or furnishing, which consent of the Board may be granted or withheld in the Board's sole discretion. After an elevator landing is decorated and/or furnished by the Unit Owners serviced by the same, the Owners of such Units, and not the Board, will be responsible for keeping the decor and furnishings in a first class condition and state of repair and performing, at their joint expense, all repairs and maintenance necessary or desirable in order to accomplish the same.

In addition, as set forth in the By-Laws and to the extent permitted by law, the Owner or Owners of any one or more Residential Units, if such Unit or Units are the only Unit or Units serviced or benefited by any Common Elements adjacent or appurtenant thereto (for example, that portion at the end of a hallway that is directly adjacent to the Unit or Units located at the end of such hallway) and not affecting access or service (including, without limitation, heating, ventilating and air-conditioning) to any other Unit or to any other portion of the Common Elements shall, with the consent of the Board (which consent shall not be unreasonably withheld or delayed and shall not be required if the Unit Owner or Owners shall be Sponsor or its designee), have the right to use such Common Elements exclusively (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such an event, however, such Unit Owners shall, at their sole expense, (i) operate, maintain and repair such Common Element for so long as such Owners exercise such exclusive right of use and (ii) restore such Common Element to its original condition, reasonable wear and tear excepted, after such Owners cease to exercise such exclusive right of use.

In addition, Sponsor (or its designee or other owner of Unsold Units) and the Commercial Unit Owners shall have such rights as are described in the Declaration, to erect, maintain, repair and replace, or permit their tenants to erect, maintain, repair or replace, from time to time, one or more signs on the Property for the purpose of advertising the availability for sale or rental of any Unsold Unit or Commercial Unit or the operation of any business of Sponsor, a tenant, occupant managing agent or operator of the Commercial Units including, but not limited to, signs on the facade of the Building and on any awnings, canopies or other protrusions from the facade of the Building.

11. Rights of Access

As more fully set forth in the Declaration and By-Laws, the Board and any managing agent, manager and other persons authorized by the Board will have a right of access to any Unit for the purposes, among others, of: (a) making inspections of, or removing violations of governmental laws or regulations against, any part of the Property; (b) curing defaults under the By-Laws, Declaration or Rules and Regulations by the owner of such Unit; (c) performing maintenance, installations, alterations, repairs or replacements to the mechanical plumbing or electrical systems, or other portions of the Common Elements, located within such Unit or elsewhere in the Building; or (d) correcting any conditions originating in any Unit and threatening another Unit or any Common Element.

In the event that the Board or any Unit Owner fails to maintain or repair parts of the Building required to be maintained or repaired by the Board or Unit Owner, or in the event of any breach of the Declaration, By-Laws or Rules and Regulations, Article 6 of the By-Laws provides for certain specified rights to perform such maintenance or repairs or cure such breach.

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

Each Unit Owner must strictly comply with the provisions of the Declaration, By-Laws and Rules and Regulations. Pursuant to Section 339(j) of the Condominium Act, failure so to comply will be grounds for an action for damages or injunctive relief, or both. The

By-Laws, together with the initial form of Rules and Regulations, will be recorded with the Declaration in the City Register's Office.

13. Repair or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty (unless three-fourths or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board will arrange for the prompt repair and restoration thereof (including each Unit, but excluding appliances, fixtures, furniture, furnishings and other personal property not constituting a part of such Unit).

If the insurance proceeds are insufficient to cover the cost of repairs or restoration, Unit Owners may be assessed for such deficiency. If there is a surplus of insurance proceeds, the surplus shall be paid to Unit Owners in accordance with the following paragraph, except that no payment shall be made to a Unit Owner until there has first been paid out of his or her share, such amounts as may be necessary to reduce unpaid liens on his or her Unit, other than Permitted Mortgages, in the order of priority of such liens.

If only the Commercial Units are destroyed or damaged by fire or other casualty and if the net insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owners will bear the entire amount of the deficit, or shall receive all of the excess, as the case may be, in proportion to their respective Common Interests. Similarly, if only the Residential Units or Storage Units and/or the Residential Limited Common Elements are damaged or destroyed by fire or other casualty and the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared by all Residential Unit Owners and Storage Unit Owners in proportion to their respective Common Interests. If said damage or destruction by fire or other casualty affects the General Common Elements, or any combination of the Commercial Units, the Residential Units and the Storage Units, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners, or by the Unit Owners of the affected portions of the Building, as appropriate, in proportion to their respective Common Interests.

In the event of a loss for which the proceeds of all policies of physical damage insurance maintained by the Board exceed $2,500,000, the proceeds shall be payable to a New York City bank or trust company designated by the Board as insurance trustee pursuant to the provisions of Sections 6.4.3 and 12.7 of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Notwithstanding any of the foregoing, if three-fourths or more of the Building is destroyed or substantially damaged and if 75% or more in Common Interest of all Unit Owners do not duly resolve within 60 days from the date of such damage or destruction to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if the Building were owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners: (i) first, by apportioning such proceeds in the aggregate among each class of Unit (i.e., Residential, Storage and Commercial) pursuant to an

appraisal of fair market values to be performed by a panel of three independent appraisers (one of whom shall be selected by the Board, one of whom shall be chosen by the Commercial Unit Owners, and the third chosen by the other two appraisers); and (ii) then among the Unit Owners within each class of Unit in proportion to the respective Common Interests of such Units; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

14. Insurance

Under Section 6.4 of the By-Laws, until payment in full of the debt under the mortgage (the "Construction Mortgage") which secures or will secure Sponsor's construction loan for the construction of the Building (the "Construction Loan") or assignment of such Construction Mortgage by the lender under such Construction Loan to Sponsor's designee, whichever occurs first, the Board must comply with the obligations of the Construction Mortgage with respect to the coverages required to be obtained and maintained with respect to the Building. However, all such policies will include coverage of at least the types and in at least the limits as are set forth in the Notes to Schedule B, the Projected Budget for the First Year of Condominium Operations.

Furthermore, under Section 6.4 of the By-Laws, subject to the provisions of the preceding paragraph, the Board is required to obtain and maintain, to the extent obtainable at commercially reasonable premiums and to the extent determined by the Board to be appropriate, the following insurance: (a) property insurance with all risk extended coverage (excluding terrorism and mold coverage), vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit but excluding fixtures, furniture, furnishings, decorations, appliances and other personal property not constituting part of the Unit), together with all service machinery contained therein, and covering the interests of the Condominium, the Board and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings), without deduction for depreciation; (b) rent insurance in an amount equal to Common Charges for one year; (c) workers' compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Board; (f) water damage insurance to the extent, if any, determined by the Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all Board members, officers, directors and employees of the Condominium and of the Managing Agent who handle funds of any of the foregoing; (i) directors' and officers' liability coverage; and (j) such other insurance as the Board may from time to time determine. The Board will not be required to obtain or maintain terrorism or mold coverage but may do so, and in such event, the cost thereof shall be a Common Expense as described in the By-Laws.

Any of the coverages required to be maintained by the Board may be satisfied by any so-called builder's risk policy obtained by Sponsor in connection with the construction of the Building, provided the limits and terms of coverage set forth in Schedule B are provided under such policy. To the extent any such policy obtained and paid for by Sponsor shall satisfy the insurance requirements of the Board for the Condominium in respect of any period following the

First Closing, the Board shall reimburse Sponsor for its prorated share of the cost of such coverage.

The amount of fire insurance and all risk extended coverage to be maintained with respect to the Condominium (including each Unit, but excluding such items noted in subsection 6.4.1 to be excluded) until the first Board meeting following the First Annual Meeting of Unit Owners shall be 100% of the full replacement cost of the Property (or such lesser amount as may be provided for in the Notes to Schedule B, the Projected Budget for the First Year of Condominium Operations.

All such policies of physical damage insurance which the Board is required to maintain shall contain, to the extent obtainable at commercially reasonable premiums, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least 30 days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees, who have requested the same from the Board in writing. Duplicate originals or certificates of insurance of all policies of insurance and of all renewals thereof, if obtainable, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees who have requested the same from the Board in writing. Renewals shall be obtained at least 10 days prior to the expiration of the then current policies.

The Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such amounts as from time to time are carried by prudent owners of comparable properties in the City of New York, and in such limits as the Board, from time to time, may determine, covering (i) the Board, the Managing Agent, each Board member, each officer and employee of the Condominium, and (ii) each Unit Owner and their agents and Permitted Mortgagees, if any, except that such policy will not cover liability of a Unit Owner arising from occurrences within or about its own Unit or within or about the Common Elements, if any, exclusive to its Unit. The Board shall review such limits once each year. Until the first meeting of the Board following the first annual meeting of Unit Owners, such liability insurance with respect to any occurrence, as well as umbrella coverage, be in at least the respective amounts provided for in the First Year's Budget and at no time and in no event shall such comprehensive general liability insurance afford protection to the limit of less than such amounts (to the extent then reasonably obtainable by the Board). The Board shall also be required to obtain and maintain fidelity insurance covering the Board, the Managing Agent, each Board member and each officer and employee of the Condominium in respect of the maintenance and/or operation of the Building or any part thereof. The insurance required in accordance with this paragraph shall also cover cross-liability claims of one insured against another.

Any insurance maintained by the Board may provide for such deductible amounts as the Board may determine. The premiums for all insurance referred to above shall be a Common Expense and shall be borne by the Unit Owners in such proportions as are equitable (as determined by the insurance carriers thereof or their agents, brokers or such other parties designated by the Board).

The Board is not required to obtain or maintain any insurance with respect to any property contained in any Unit or any liability with respect to occurrences in or about each Unit or the Common Elements, if any, exclusive and/or appurtenant thereto. Consequently, all Unit Owners are required to obtain and maintain comprehensive general public liability insurance against claims for personal injury, death or property damage occurring in, on or about such Unit Owner's Unit and the Common Elements, if any, exclusive and/or appurtenant to his or her Unit affording protection of at least $1,000,000 per occurrence, plus at least $3,000,000 umbrella liability coverage. Further requirements with respect to such insurance are more particularly set forth in the By-Laws. In addition, all Residential Unit Owners are urged to obtain casualty insurance with respect to the fixtures, furniture, furnishings and other personal property located within their respective Units. Purchasers are also advised that the insurance policies to be maintained by or on behalf of the Board will be on a "replacement cost" basis and will not cover losses to the extent that "market value" of a Unit may exceed its insured replacement cost. All insurance policies required to be maintained by the Board will be on a "replacement cost" and will not cover losses to the extent that market value may exceed such replacement cost.

All insurance policies required or permitted to be maintained by Unit Owners hereunder shall be primary with respect to the risks insured thereunder and shall contain waivers of subrogation, if available, and further provide that the liability of the carriers issuing insurance obtained by the Unit Owner shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Further, as a result of current fluctuations in the insurance market, the Board will not be required to obtain or maintain terrorism or mold coverage but may do so, and in such event, the cost thereof shall be a Common Expense as described in the By-Laws.

15. Liability of Board of Managers and Unit Owners

Every contract made by the Board, any officer of the Condominium, or the Managing Agent shall state that (a) it is being executed by such party only as agent for all Unit Owners (or, if for only the Residential Unit Owners, as agent for the Residential Unit Owners), and such Board members, officer or Managing Agent 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 Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners (or to all Residential Unit Owners, in the case of a contract made solely for the benefit of the Residential Unit Owners) and (ii) to the extent permitted by applicable Legal Requirements, or as otherwise determined by the Board in its sole and absolute discretion, such Unit Owner's interest in his or her Unit and its appurtenant Common Interest.

To the extent permitted by applicable Legal Requirements, Board members shall have no liability to Unit Owners, except that a Board member shall be liable for his or her own bad faith or willful misconduct. The Board may contract or effect any other transaction with any Board member, 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. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify, defend and hold harmless each Board member

against any liability or claim except those arising out of the bad faith or willful misconduct of such member.

16. Amendments to Condominium Documents

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

Notwithstanding the foregoing and subject to the provisions contained in the By-Laws or in the Declaration with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee, any Unsold Units, the Commercial Units or the Commercial Unit Owners or Permitted Mortgagees: (i) no amendment, modification, addition or deletion pursuant to the provisions of clause (a) or (c) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgagee Representative(s), if any; and (ii) no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Commercial Mortgagee Representative, if any.

Notwithstanding any provision contained herein or the Declaration or By-Laws to the contrary, no amendment, modification, addition to or deletion of the Declaration, the By-Laws or the Rules and Regulations shall be effective in any way against: (a) Sponsor or its designee, for so long as Sponsor or its designee is the owner of one or more Units, or any Unsold Unit, unless Sponsor or its designee, as applicable, has given its prior written consent thereto, or (b) the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto; and no such amendment, modification, addition or deletion may in any manner which adversely affects a Commercial Unit or a Commercial Unit Owner or the rights, benefits, easements, privileges or exemptions of such Commercial Unit Owner, without the consent of the affected Commercial Unit Owner.

It is possible that amendments, modifications, additions or deletions of or to the Declaration, By-Laws and Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Units, the subdivision of any Commercial Unit into individual commercial condominium units and/or the offering for sale or lease of all or any

portion of the Commercial Units. In connection therewith, the Commercial Unit Owner(s) may, subject to compliance with all applicable Laws, if any, cause the Declaration, By-Laws and Rules and Regulations to be amended, modified, added to or deleted from and the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Units and Residential Unit Owners.

Notwithstanding anything to the contrary contained herein, in the Declaration or in the By-Laws, if any Unit Owner is notified in writing that its consent to a proposed amendment or modification to the Declaration, the By-Laws or the Rules and Regulations is requested, then, provided that such notice contains a copy of the proposed amendment or modification (and a statement in bold capital letters to the effect that if such Unit Owner does not notify the sending party in writing within ten (10) Business Days after such Unit Owner receives such notice (together with a copy of such amendment or modification), that such Unit Owner disapproves such proposed amendment or modification, then such Unit Owner shall be deemed to have approved such amendment or modification), if such Unit Owner does not notify the sending party in writing within ten (10) Business Days after such Unit Owner receives such notice (together with a copy of such amendment or modification), that such Unit Owner disapproves such proposed amendment or modification, then such Unit Owner shall be deemed to have approved such amendment or modification. The foregoing shall not apply to notices given to Sponsor or any other holder of Unsold Units requesting the Sponsor's or such holder's consent to a proposed amendment or modification.

17. Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless the Condominium shall be terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time, if any, 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 80% in both number and aggregate Common Interests of all Unit Owners as set forth in the Declaration and the By-Laws.

Sponsor will not vote its interests appurtenant to Unsold Units in favor of such withdrawal unless at least 80% in number and aggregate Common Interests of all other Unit Owners elect to withdraw, at which time Sponsor may choose to vote its Common Interests either in favor of or against withdrawal from condominium ownership, as it sees fit.

In the event of withdrawal of the Property from condominium ownership, and only to the extent the waiver of the right of partition shall be inapplicable or unenforceable, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if the Property were owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners: (i) first, by apportioning such proceeds in the aggregate among each class of Unit (i.e., Residential, Storage and Commercial) pursuant to an appraisal of fair market values to be performed by a panel of three independent appraisers (one of whom shall be selected by the Board, one of whom shall be selected by the Commercial Unit Owners, and the third chosen by the other two appraisers selected); and (ii) then, among the Unit Owners of each class of Unit 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 its share of such funds, such

amounts as may be necessary to discharge all unpaid liens on its Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

18. Units Acquired by the Board

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

The purchase of any Unit by the Board 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 by or on behalf of Unit Owners. If the funds in such accounts are insufficient to effectuate any such purchase, the Board may levy an assessment against each Unit in proportion to its respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Unit and thereafter refinance the same; provided, however, that no such financing or refinancing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased or refinanced, as the case may be, together with its appurtenant interest in the Common Elements.

19. Procedure to Review Real Estate Tax Assessments

The Board, on behalf of and as agent for all Residential Unit Owners, and on behalf of the Commercial Unit Owner(s) to the extent requested and authorized to do so in writing by such Commercial Unit Owner(s), will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to the Units owned by such Unit Owners. All such Unit Owners will share, and indemnify the Board as to, the costs in connection with such proceedings and the benefits derived therefrom.

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

The Commercial Unit Owners shall pursue any such proceedings separately and not as part of the proceedings described in this paragraph in respect of the Residential Units.

20. Mechanics' Liens

Under the current provisions of the New York Condominium Act, no lien of any nature may arise or be created against the Common Elements, except with the unanimous consent of all Unit Owners. Liens may arise or be created against only the several Units and their respective Common Interests. Labor performed on, or materials supplied to, a Unit may not be the basis for a mechanic's lien against the Unit of a Unit Owner not expressly consenting to or requesting such work, except in the case of emergency repairs. No labor performed on, or materials furnished to, the Common Elements shall be the basis for a lien thereon but all

Common Charges received by the Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Board or the Managing Agent acting on its behalf.

21. Easements

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements, including easements in favor of Sponsor, other Unit Owners and the Board. These easements, which are more particularly set forth in Articles 14 and 15 of the Declaration, include an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace Common Elements and, generally, an easement of support and of necessity in favor of all Units and the Common Elements. These easements shall be exercised in a manner that will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use of any of the Residential Units, or Storage Units for their permitted purposes.

Among other things, Sponsor shall also have an easement to erect, maintain, repair and replace lights and lighting fixtures and to erect maintain and replace satellite communication equipment and similar equipment, as permitted by law, on the roofs and facade of the Building and elsewhere on the Common Elements which shall entitle Sponsor to utilize such easement for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. In addition, Sponsor and the owner of any Unsold Residential Units shall have an easement to erect, maintain, repair and replace any signs, awnings, marquees, canopies, banners, flags, pennants, aerials, antennas or the like (each a "Sign") permitted by law on the Property (including, without limitation, on its roof and exterior walls) for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

22. Lot Line Windows

Under the existing building codes applicable to the Building, certain windows on the north side of the Building are "lot line windows". Prospective Purchasers are advised that if the adjacent building(s) on the north side is hereafter altered, or if a new building is hereafter erected on the site of the adjacent building(s), the lot line windows may be required by existing building codes to be enclosed, in which event such windows will be enclosed in a manner and using materials that are acceptable to the Board in its reasonable discretion. Rooms in Units containing lot line windows also contain other windows which, pursuant to existing building codes, will satisfy light, air and other requirements for the lawful use of such rooms for habitation purposes. The possibility that any lot line windows will be required to be enclosed is remote; however, in the event that such enclosure is required by the existing building codes or any applicable laws, neither Sponsor nor the Board will have any liability or obligation in connection with same. In the event any of such lot line windows must be reduced in size or closed, the owner of the affected Unit shall solely bear the costs relating to such reduction or closure, which, as of the date hereof, Sponsor estimates to be $1,500 per window. The lot line windows are indicated on the Floor Plan which are included in Part II of this Plan.

23. Signage

There will be signs, notices, advertisements and illuminations (collectively "Signage") on various exterior portions of the Building, on or at windows and in interior public spaces of the Building, which may be affixed by Sponsor, the Board and/or one or more of the Commercial Unit Owners, all as and to the extent provided in the Declaration and/or By-Laws. Sponsor makes no representation and shall have no liability whatsoever with respect thereto.

24. The Plaza

The Plaza is located immediately to the east of the Building. The Plaza's design, amenities, and landscaping are required to conform substantially to plans that were approved by the City Planning Commission on September 7, 2004 and are attached to a Notice of Certification recorded in the Office of the City Register of the County of New York on September 17, 2004 (the "Plaza Plans") as CRFN 200400584335. A copy of the Plaza Plans are included in this Offering Plan as Exhibit 11 in Part II. Purchasers are advised that the Plaza is required to be open to the public between the hours of 8 AM and 8 PM daily. The Plaza may be closed between the hours of 8 PM and 8 AM in substantial conformance with the approved Plaza Plans. Pursuant to the Notice of Certification, the Condominium will be responsible to maintain the Plaza on an ongoing basis. The cost of such maintenance shall be a General Common Expense allocated among all the Unit owners on the basis of Common Interest.

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S. REAL ESTATE TAXES

The projection of the real estate taxes that will be payable for each of the Units during the projected First Year of Condominium Operation is based upon an estimate that the aggregate real estate taxes for the Units upon completion of construction for such first year will be approximately $5,607,122 including $5,132,720 attributable to the Residential Units and Storage Units and $474,402 attributable to the Commercial Units. This estimate has been based upon: (a) estimates made by Metropolitan Valuation Services, Sponsor's real estate tax consultant, that the approximate assessed values of the Units upon completion of construction of the Building during the 2006/2007 tax year, will be as follows: Residential and Storage Units: $39,607,370; and Commercial Units $3,868,920; and (b) a projection that the tax rate in effect for the twelve month period commencing July 1, 2006 (i) as to the Residential and Storage Units will average $12.9590 per $100 of assessed valuation, and (ii) as to the Commercial Units will average $12.2619 per $100 of assessed valuation.

No guaranty or assurance is given that (i) any of the assumptions described above will be valid, (ii) any projected or estimated amount set forth above (including, without limitation, the estimates of the Property's assessed valuations during the First Year of Condominium Operation, the estimates of the portions of such assessed valuations that will be allocable to the Units and the projection of the average real estate tax rate that will be in effect during such first year) will approximate the actual amount, (iii) the estimated or actual amount of assessed value of the Property following the projected First Year of Condominium Operation and the taxes payable based upon such assessment (which may be significantly higher to the extent that a portion of the Property is not fully assessed during such First Year) or (iv) the Real Estate Tax Assessment Bureau of the New York City Department of Finance will allocate the Property's aggregate assessed valuation between the Units or classifications of Units in accordance with the values used by Sponsor's real estate tax consultant for such purpose, or that such bureau will allocate the aggregate assessed valuation attributable to the Units among the different Units as described above. Sponsor will amend the Plan promptly to disclose the same if it discovers that any of such assumptions are invalid as well as after the Units have been assessed and the applicable tax rate determined.

Until the Units are separately assessed, each Unit Owner will pay to the Board a share of the Property's real estate taxes for the period in question calculated as follows: the total real estate taxes for the Condominium will be allocated among the categories of Units on the basis of: (i) 91.1% to the Residential and Storage Units in the aggregate and then to each Residential Unit and Storage Unit on the basis of its Residential Common Interest as set forth in Schedule A; and (ii) 8.9% to the Commercial Units in the aggregate and then to each Commercial Unit on the basis of its relative proportionate Common Interests. The Board will pay such real estate taxes timely to the Department of Finance of The City of New York, or directly to Sponsor if Sponsor has paid such taxes, so that no lien will be placed on the Property or any Unit. If Sponsor fails to pay real estate taxes attributable to any Unsold Unit in a timely manner and as a result of such failure a lien is placed on the Property and/or any other Unit, Sponsor will immediately cause such lien to be removed at its sole cost and expense. If Unit Owners fail to pay their pro rata share of Real Estate Taxes as set forth above, the Board will be entitled to assess late charges and/or place a lien on their Units as if such unpaid share were Common Charges. (See "Collection and Lien for Non-Payment of Common Charges" in Part I,

Section R for further discussion.) A Unit Owner will not be responsible for the payment of, and will not be subject to any lien arising from the non-payment of real estate taxes assessed against any other Units. At such time as a Unit is separately assessed and separate tax bills are issued, the Unit Owner will pay such taxes directly to the taxing authority.

There is no assurance that the proration of taxes described in the paragraph above will equal the actual amount of real estate taxes which will be assessed against the Units, and the actual amounts may vary considerably from the method set forth above.

Real estate tax rates are published by the City of New York on January 15 of each year. If the rates issued at that time are different from those contained in this Plan, the Plan will promptly be amended.

Real estate taxes will be adjusted between Sponsor and each Purchaser at the closing of title to each Unit based on the period for which real estate taxes have been prepaid by Sponsor either directly to the taxing authority or as part of the Common Charges to the Board. If real estate taxes have been separately assessed to each Unit as of the closing, then the adjustment shall be based on the Unit's actual taxes for such period. If the real estate taxes have not been separately assessed to each Unit as of the closing, then the adjustment shall be determined by allocating to the Unit a prorated portion of the actual taxes for the entire Property for such period determined as provided in the By-Laws.

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T. PARTIAL REAL ESTATE TAX EXEMPTION (Section 421-a)

Sponsor intends to apply, on behalf of the Residential Unit Owners, to the New York City Department of Housing Preservation & Development ("HPD") for a partial, 10-year phased in, real estate tax exemption under Section 421-a of the New York Real Property Tax Law ("Section 421-a"). NEITHER SPONSOR, SPONSOR'S COUNSEL, THE SELLING AGENT, THE MANAGING AGENT NOR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY THAT A PARTIAL TAX EXEMPTION FROM REAL ESTATE TAXES UNDER SECTION 421-A WILL BE GRANTED OR, AS TO THE AMOUNT, IF ANY, OF THE MINIMUM TAX WHICH WILL BE ASSESSED AGAINST THE RESIDENTIAL UNITS OR THE AMOUNT OF REAL ESTATE TAXES PAYABLE AT ANY TIME BY ANY RESIDENTIAL UNIT OWNER. There is no guaranty or assurance that the criteria for Section 421-1 benefits will be satisfied and neither Sponsor nor Sponsor's Counsel offers any opinion with respect to the eligibility of the Residential Units for Section 421-a benefits. If, for any reason, applicable credit certificates cannot be obtained by Sponsor or an application is not approved by HPD, the Units will be subject to full taxation and will receive no benefits under Section 421-a. See Schedule A included in Part I, Section D of the Plan for projected monthly real estate taxes for each Residential Unit with and without the benefits under Section 421-a.

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

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

Benefit Years	% of Exemption
1	100%
2	100%
3	80%
4	80%
5	60%
6	60%
7	40%
8	40%
9	20%
10	20%
11	0%

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

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U. INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following discussion of certain income tax consequences of the Plan was prepared by Sponsor based, in part, upon the opinion of Sponsor's Counsel, a copy of which opinion is included herein in Part I, Section V of the Plan. Prospective Purchasers should refer to such opinion letter itself for a more detailed discussion of the tax consequences summarized below.

Prospective Purchasers should note that the opinion letter addresses the tax consequences that would result from the ownership of a Residential Unit by an individual taxpayer for use as his or her own primary or secondary residence. It does not address the tax consequences that might result from the ownership of a Residential Unit by a taxpayer that is not an individual or who is a foreign person. It also does not address the tax consequences that might result from the ownership of a Residential Unit that is held by an individual taxpayer in connection with his or her trade or business, for investment, or for the production of income. Further, the opinion letter does not address the tax consequences that might result from the ownership of a Storage Unit.

KRAMER LEVIN NAFTALIS & FRANKEL LLP IS COUNSEL TO SPONSOR AND NOT TO ANY PURCHASER UNDER THE PLAN. EACH PURCHASER SHOULD CONSULT WITH HIS OR HER OWN TAX COUNSEL, ACCOUNTANT OR OTHER FINANCIAL ADVISOR AS TO THE TAX CONSEQUENCES OF THE OWNERSHIP OF A RESIDENTIAL UNIT.

1. Deductibility of Real Estate Taxes and Mortgage Interest

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

Generally, it is the opinion of Sponsor's Counsel that each Residential Unit Owner will, under the present income tax laws and regulations, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for:

(a) the real estate taxes assessed against his or her Residential Unit and paid by such Residential Unit Owner; and

(b) subject to certain qualifications and limitations discussed below, "qualified residence interest" paid by such Residential Unit Owner with respect to such Residential Unit.

Qualified residence interest includes interest paid by the Residential Unit Owner on: (i) debt used to acquire, construct or substantially improve any "qualified residence," as

defined below, and secured by such residence, up to $1,000,000 ($500,000 in the case of a married individual filing a separate return); and (ii) other indebtedness secured by a qualified residence, up to $100,000 ($50,000 in the case of a married individual filing a separate return). Interest on home mortgage indebtedness in excess of these limitations is not deductible.

A "qualified residence" means: (i) the "principal residence" of the Residential Unit Owner and (ii) one secondary residence selected by the Residential Unit Owner.

Prospective Purchasers should note that no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (except in the case of "points" paid under certain circumstances), and that the deductions for real estate taxes and qualified residence interest may be subject to the overall limitation on the allowance of itemized deductions.

No portion of the Common Charges payable by Residential Unit Owners attributable to real estate taxes assessed against the Resident Manager's Unit (which will be owned by the Board on behalf of all Residential Unit Owners) or interest on any mortgage indebtedness the Board incurs to acquire or refinance the Resident Manager's Unit will be deductible by a Residential Unit Owner.

2. Taxation of the Condominium

In certain circumstances, a condominium board may elect to be treated as a "homeowners association" within the meaning of Internal Revenue Code Section 528(c) and, therefore, could elect to be exempt from Federal income tax on Common Charges received from Residential Unit Owners ("exempt function income"). In order for the Board to qualify to make such election, Section 528 and the Treasury Regulations promulgated thereunder require, among other things, that at least 85% of the total square footage of all the Units within the Condominium be used by individuals for residential purposes and that the Board meet certain gross income and expenditure tests. As it is currently anticipated that more than 85% of the total square footage of all the Units in the Condominium will be used by individuals for residential purposes, the Board may be eligible to make this election if the other requirements of Section 528 are met. For any taxable year for which the Board elects to be treated as a homeowners association under Section 528, it will be subject to tax at a 30% rate on the excess of its non-exempt function income over the allowable deductions (computed with certain modifications) directly connected with the production of such income.

Absent the application of Code Section 528, the status of the Board for Federal, New York State and New York City income tax purposes is uncertain. If the Board is deemed to be merely a conduit for the Unit Owners, all income earned by the Board, less the expenses incurred in earning such income, would be deemed to constitute income to the Unit Owners and be taxable to them. However, under this analysis, Common Charges might not be considered income to the Board.

If the Board were to be treated as a separate entity, it is unclear whether it would be taxable as a corporation or treated as a partnership. If the Board is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax, the New York State

Corporation Franchise Tax and the New York City General Corporation Tax. If the Board is treated as a partnership, the Unit Owners (but not the Board) would be subject to Federal and New York State income tax on the taxable income of the Board. In addition, in that instance the Board may be subject to the New York City Unincorporated Business Tax. In determining the taxable income of the Board, the deductions attributable to furnishing services to Unit Owners may be limited to membership income. Certain amounts expended for the benefit of Residential Unit Owners, and possibly rebates, if any, to Residential Unit Owners of excess membership dues, fees or assessments, may be treated as distributions to them.

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the New York City Department of Finance will allow any of the deductions mentioned in this Section U or that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which counsel to Sponsor bases its opinion, will not change. In addition, no warranties are given by Sponsor, counsel to Sponsor, the Selling Agent, the Managing Agent or any other person connected with this offering, with respect to the tax consequences of the Plan or the tax consequences of ownership of any Residential Units offered under the Plan, and no one has been authorized to give any such warranties.

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V. OPINIONS OF COUNSEL

INCOME TAX OPINION OF SPONSOR'S COUNSEL

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47, AVENUE HOCHE
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March 18, 2005

Continental Residential Holdings, LLC
c/o Douglaston Development LLC
42-06 235th Street
Douglaston, New York 11363

Re: Condominium Offering Plan for
325 Fifth Avenue Condominium (the "Condominium")

To Whom It May Concern:

You have requested our opinion concerning (i) the deductibility, for Federal, New York State and New York City income tax purposes, of mortgage interest and real estate taxes paid by individual residents of New York who purchase Residential Units pursuant to the above-referenced Offering Plan (the "Plan"), and (ii) the income tax treatment to the Board of Managers of the Condominium (the "Condominium Board") of the assessments payable by Residential Unit owners to meet common expenses of the Condominium ("Common Charges").

In connection with rendering this opinion, we have reviewed the Plan (including the exhibits thereto), relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder and such other material as we deemed relevant. The opinions expressed herein are based upon the assumptions that (1) the Plan becomes effective and is consummated in accordance with its terms, (2) condominium ownership of Residential Units located in the premises known as 321-329 Fifth Avenue is established under applicable law and (3) the legal consequences of the Plan are as described therein. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

The Plan provides for the establishment of condominium ownership of the land and building, and appurtenances thereto, comprising 325 Fifth Avenue Condominium, situated at 321-329 Fifth Avenue, New York, New York. The Condominium will be comprised of Residential Units, Storage Units, Commercial Units, and Common Elements. This opinion addresses the tax consequences that would result from the ownership of a Residential Unit by an individual taxpayer for use as his or her own primary or secondary residence. It does not address the tax consequences of ownership of Storage Units or Commercial Units by any person or

entity, and does not address the tax consequences of the ownership of Residential Units by corporations, other entities or foreign persons.

Deductibility of Mortgage Interest and Real Estate Taxes

Each Residential Unit Owner will own his or her Residential Unit and an undivided interest in the Common Elements in fee simple and, under New York State Law, each Residential Unit (including its undivided interest in the Common Elements) will be taxed as a separate parcel for real estate tax purposes. Each Residential Unit Owner may mortgage his or her Residential Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness, and will be liable to the local tax authority for the tax assessment with respect to his or her interest in the Residential Unit. Under these circumstances, the Internal Revenue Service has ruled that the owner of a residential condominium unit who itemizes deductions in filing his or her Federal income tax returns may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the property. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

Based on the foregoing, it is our opinion that each individual Residential Unit Owner who itemizes deductions will be entitled under current law to deduct from his or her gross income, subject to an overall limitation on itemized deductions as set forth in section 68 of the Code, for Federal, New York State and New York City income tax purposes, real estate taxes assessed against his or her Residential Unit and paid to the local authority. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax. Residential Unit Owners should consult their tax advisers regarding the applicability of the overall limitation on itemized deductions to the deductibility of real estate taxes, and the effect of the alternative minimum tax.

A taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid during the taxable year on "acquisition indebtedness" or "home equity indebtedness" with respect to a "qualified residence" of the taxpayer. A "qualified residence" means the principal residence of the taxpayer and one other residence of the taxpayer selected by the taxpayer for the taxable year. "Acquisition indebtedness" means any indebtedness which is secured by any qualified residence of the taxpayer and which is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt). The aggregate amount treated as acquisition indebtedness for any period cannot exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return). "Home equity indebtedness" means any indebtedness (other than acquisition indebtedness) secured by a qualified residence, up to the excess of the fair market value of such qualified residence over the amount of acquisition indebtedness with respect to such residence. The aggregate amount treated as home equity indebtedness for any period cannot exceed $100,000 ($50,000 in the case of a married individual filing a separate return). Accordingly, an owner of a Residential Unit who itemizes deductions and who uses such Residential Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income, subject to an overall limitation on itemized deductions as set forth in section 68 of the Code, for Federal income tax purposes, interest paid by him or her on (i) acquisition indebtedness incurred with respect to such Residential Unit to the extent that such indebtedness, when added to the amount

of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to such Residential Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed $100,000 ($50,000 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules to them, as well as regarding the deductibility of interest with respect to their Residential Units for alternative minimum tax purposes (which at present is subject to rules different from those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

Each owner of a Residential Unit who uses such Residential Unit as a residence will generally be entitled to the same deduction for interest and real estate taxes paid or accrued with respect to such Residential Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes. However, although the overall limitation set forth in section 68 of the Code does not apply, under New York State and New York City income tax law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Furthermore, purchasers should consult their tax advisers to determine the application, if any, of the New York State and New York City minimum tax to the deduction for interest and real estate taxes with respect to their Residential Units.

Common Charges

Under the Plan, the Condominium Board will, from time to time, assess Common Charges against the Residential Unit Owners generally in proportion to their respective percentage interests in the Common Elements in order to pay the costs and expenses of operating, repairing, and maintaining the Common Elements.

In certain circumstances, a condominium management association may elect to be treated as a "homeowners association" within the meaning Code section 528(c) and, therefore, could elect to be exempt from Federal income tax on its exempt function income. In order for the Condominium Board to qualify to make such election, section 528 requires, among other things, that substantially all of the units in the Condominium be used by individuals for residences. The Treasury Regulations promulgated under section 528 state that substantially all of the condominium units will be considered as used by individuals for residences if at least 85 percent of the total square footage of all the units within the project is used by individuals for residential purposes. As it is currently anticipated that more than 85 percent of the total square footage of all the Units in the Condominium will be used by individuals for residential purposes, the Condominium Board may be eligible to elect to be treated as a homeowners association, provided that the other requirements of section 528 are met. Among such requirements are that 60 percent or more of the gross income of the Condominium Board for the taxable year be exempt function income, and that 90 percent or more of the expenditures of the Condominium Board for the taxable year be qualifying expenditures for the acquisition, construction,

management, maintenance, and care of association property. "Exempt function income" means amounts received as membership dues, fees, or assessments from Residential Unit Owners in their capacity as such, if such amounts are used by the Condominium Board for qualifying purposes.

For any taxable year for which the Board elects to be treated as a homeowners association under section 528, it will be subject to Federal taxation only on its homeowners association taxable income for such year. Such tax will be imposed at the rate of 30 percent. For this purpose, "homeowners association taxable income" is defined as an amount equal to the excess (if any) of the gross income for the taxable year (excluding any exempt function income) over allowable deductions that are directly connected with the production of the gross income (excluding exempt function income). Such allowable deductions are computed with certain modifications, including the disallowance of the net operating loss deduction and special deductions otherwise allowable to corporations, including the deduction for dividends received and the amortization of organizational expenditures.

Absent the application of section 528, the present state of the law is uncertain as to the proper reporting and tax treatment of the income of the Condominium Board derived from Unit Owners ("membership income") and others ("nonmembership income") in excess of appropriate deductions and credits. It is possible that the Condominium Board could be viewed as an agent or conduit for Unit Owners, in which case each Residential Unit Owner would be required to report his or her proportionate share of nonmembership and possibly membership income (and the deductions attributable thereto) directly on his or her own tax return. Alternatively, the Internal Revenue Service may take the position that the Condominium Board should be treated as a separate entity. In that case, it is unclear whether the Condominium Board would be taxable as a corporation or treated as a partnership. If the Condominium Board is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax, the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Condominium Board is treated as a partnership, the Unit Owners (but not the Condominium Board) would be subject to Federal and New York State income tax on the taxable income of the Condominium Board. In addition, in that instance the Condominium Board may be subject to the New York City Unincorporated Business Tax. In determining the taxable income of the Condominium Board, the Condominium Board's deductions attributable to furnishing services to Unit Owners may be limited to its membership income. Certain amounts expended for the benefit of Residential Unit Owners, and possibly rebates, if any, to Residential Unit Owners of excess membership dues, fees or assessments, may be treated as distributions to them.

We express no opinion concerning (a) any Federal, New York State or New York City tax consequences not explicitly discussed in this opinion, (b) any other aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or (c) the tax status and tax consequences of the Plan under the laws of any other state, local or foreign jurisdiction. Except as explicitly provided, this opinion does not address (i) tax consequences which may result with respect to any Residential Units held in connection with a trade or business, or any Residential Units held for purposes of investment or for the production of income, (ii) tax consequences which may result to a foreign Residential Unit Owner by reason of

his or her foreign status or (iii) tax consequences which may result from the purchase of a Storage Unit or a Commercial Unit. This opinion also does not discuss the tax consequences which may arise if Units or Common Elements are acquired and/or leased by the Board or the issue of whether a Residential Unit Owner may be deemed to be a resident of the United States, New York State, or New York City as a result of the ownership of a Residential Unit and the attendant income, estate or other tax consequences. We advise, therefore, that each person contemplating the purchase of a Residential Unit consult his or her own tax adviser concerning all such tax matters, as well as with respect to the matters discussed in this opinion.

It should be noted that this opinion is based solely on the facts and documents referred to above and is not binding on the Internal Revenue Service, the New York State Department of Taxation and Finance, or the New York City Department of Finance. Moreover, the Federal, New York State and New York City tax laws and regulations and the rulings and decisions thereunder may change and thereby affect the opinions stated above in whole or in part. We undertake no obligation to update, modify or supplement this opinion in the event of any such change in applicable law, although we have advised Sponsor that it is obligated to do so.

This opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will Sponsor, we, the Condominium Board, the Selling Agent, the Managing Agent or any other person be liable if there are changes in the facts on which we relied in issuing this opinion or if there are changes in the applicable statutes, regulations, rulings or decisions on which we relied which cause the Residential Unit Owners not to be entitled to the income tax deductions described above or which affect the tax treatment of the Condominium Board as described herein.

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

Very truly yours,

Kramer Levin Naftalis & Frankel LLP

Kramer Levin Naftalis & Frankel LLP

OPINION OF SPONSOR'S 421-A COUNSEL
REGARDING 421-a ELIGIBILITY

SEIDEN & SCHEIN, P.C.

ATTORNEYS AT LAW

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OF COUNSEL:
GARY A. BARASH
DAVID F. YAHNER

Counsel's 421-a Real Estate
Tax Benefits Opinion

December 1, 2004

Continental Residential Holding, LLC
c/o Douglaston Development
42-06 235th Street
Douglaston, NY 11363

Re: 421-a Partial Tax Exemption
321-329 Fifth Avenue
New York, New York
Block: 862 Lots: 3, 4 and 73 ("Site")

Ladies and Gentlemen:

You have requested our firm to prepare a letter opining as to the eligibility of the above captioned site (the "Site") for section 421-a partial real estate tax exemption benefits in connection with the construction of a 250-unit building to be erected thereon (the "Project"). In order to do so, I have set forth the requirements of the program and the application of the requirements to the Site and Project.

I. ELIGIBILITY REQUIREMENTS

To be eligible for section 421-a tax benefits, the Site must comply with each of the eligibility requirements set forth in section 421-a of the New York State Real Property Tax Law, as amended ("RPTL"); Chapter 6 of Title 28 of the Rules of the City of New York, as amended (the "Rules"); and New York City Administrative Code sections 11-245 and 11-245.1 (the "Local Law").

The RPTL was enacted with the specific intent of encouraging residential construction. The statute does so by providing for partial real estate tax exemption on increases in assessed valuation of eligible property which result from the construction of new class "A" Multiple Dwellings, during the construction period and on a descending sliding scale for a period of either 10, 15, 20 or 25 years after completion of construction, provided the property was previously under-utilized, or improved with a non-conforming use on the Operative Date. "Operative Date" is defined as thirty-six (36) months prior to the commencement of construction. You have told us that construction will commence during the 2004/2005 tax year and, therefore, the Operative Date is fiscal year 2001/2002.

A. Location

1. Geographic Exclusion Area

Section 6-02(b)(3) of the Rules provides that a new multiple dwelling located within the geographic exclusion area containing not less than three (3) dwelling units may be eligible for 421-a Benefits if affordable units are created in accordance with section 6-08 of the Rules. The Site is within the Geographic Exclusion Area. You have advised us that, in accordance with section 6-08 of the Rules, you will purchase 421-a Negotiable Certificates to qualify the Site for 421-a benefits.

2. Public and Private Park Limitation

Paragraphs (5) and (6) of Section 6-02(c) bar section 421-a benefits for projects situated on land mapped as a public park (with certain exceptions) or utilized for ten (10) or more consecutive years immediately prior to October 1, 1971 as a Private Park. You have stated and we assume that the Site does not fall within either category.

B. Site Requirements

The Local Law and the Rules state that for a project to be eligible for 421-a "the land upon which an eligible project is located must have been vacant, predominantly vacant, under-utilized or improved with a non-conforming use on the Operative Date. The operative date shall be: (I) thirty-six (36) months prior to the commencement of construction, if construction commences on or after August 1, 1981." You have advised us that construction will commence during the 2004/2005 tax year. Therefore, the Operative Date is fiscal year 2001/2002.

Under-utilized land is defined in section 6-02(f)(3)(G)(a)(1) and (2) of the 421-a Rules as improved with a non-residential building or buildings, each of which "contained no more than the permissible floor area ratio ("FAR") for non-residential buildings in the zoning district in question, and a FAR which was fifty percent (50%) or less of the maximum for residential buildings in such zoning district..."

Stephen B. Jacobs, R.A., of the Stephen B. Jacobs Group, P.C., has prepared floor zoning analyses based upon a survey dated April 6, 2004, prepared by Robert Fehringer, Licensed Land Surveyor, of Fehringer Surveying, P.C., along with a zoning map and relevant pages from the Zoning Resolution, regarding the Site. Mr. Jacobs indicates that on both of the potential Operative Dates lots 3, 4 and 73 were each improved with a commercial building. According to Department of Finance records, in the 2001/2002 fiscal year lots 3, 4 and 73 were each improved with a non-residential building designated as tax class 4.

Mr. Jacobs also indicates that on both of the potential Operative Dates lots 3, 4 and 73 were each improved with a non-residential building located within a C5-2 zoning district, which permits residential uses based on an R10 zoning equivalent. In the zoning district in question, the permissible FAR for non-residential buildings was 10.0 and the maximum FAR for residential buildings was 12.0, including an additional FAR of 2.0 permitted under the Inclusionary Housing Program established pursuant to Section 23-90, et seq. Of the New York City Zoning Resolution. The relationship of the FAR of each existing building on lots 3, 4 and 73 to the permissible FAR and

maximum residential FAR on the potential Operative Dates in the 2001/2002 fiscal year is shown in the table below:

Lot Number	Lot Area (square feet)	Floor Area of Existing Building (square feet)	FAR of Existing Building	Permissible Commercial FAR	Maximum Residential FAR	Ratio of Existing to Maximum Residential FAR
3	3,588	15,300	4.26	10.0	12.0	35.5%
4	15,788	36,220	2.30	10.0	12.0	19.2%
73	2,475	12,970	5.24	10.0	12.0	43.7%

On each of the potential Operative Dates, the Site qualified as under-utilized for the purposes of the Rules, since each lot was improved with a non-residential building which did not contain more than the permissible FAR for a non-residential building in the zoning district in which it was located and which had an FAR which was less than fifty percent (50%) of the maximum FAR for a residential building in such zoning district.

C. **Project Requirements**

1. New Multiple Dwelling

Section 6-02(b) of the Rules provides that a project is eligible for 421-a benefits only if it is a "new multiple dwelling." You have represented to us that you are constructing 250 Class A multiple dwelling units. You have advised us that the Project will be carried out pursuant to a new building permit, and upon completion of the Project, there will be a newly constructed multiple dwelling on land which was under-utilized. Accordingly, the Project will meet the requirements of Section 6-02(b).

2. Not Used as a Hotel or Single Room Occupancy

Paragraphs (3) and (4) of Section 6-02(c) of the Rules deem any building or portion thereof which is used as a hotel or for a single room occupancy ineligible for 421-a benefits. You state and we assume that no such use of the Project will occur.

D. **Construction Requirements**

1. Room Requirement

Section 6-02(e)(2) of the Rules requires that, in buildings containing more than 100 dwelling units, not less than ten (10%) percent of the dwelling units shall contain at least 4.5 rooms and not less than an additional fifteen (15%) percent of the dwelling units shall contain at least 3.5 rooms. Room count is defined in Section 6-01(c) of the Rules, as amended. You have represented to us that the Project will comply with this requirement.

2. Class A Unit Replacement

Section 6-02(e)(3) of the Rules requires that a project with more than twenty (20) dwelling units contain at least five (5) dwelling units for each Class A dwelling unit in an existence on the Site during the period immediately preceding the Commencement of Construction. Because the Site contained no Class A dwelling units during the specified period, this requirement is not applicable.

E. **Limitation on Other Real Estate Tax Benefits**

Section (2)(c)(I) of the RPTL provides that a multiple dwelling shall be eligible for tax benefits pursuant to that section only if "exemption from taxes is not availed of concurrently under any other law." You state and we assume that the Project will not receive real estate tax benefits under any other State or local law.

II. TIMING REQUIREMENTS

A. Project Commencement

The RPTL states that in order for a project to qualify for 421-a benefits, construction must commence no later than December 31, 2007. You have stated and we assume that the Project will comply with this requirement.

B. Application Timing

Section 6-05(b) and 6-05(d) of the Rules impose specific timing requirements for filing applications for Preliminary and Final Certificates of Eligibility. We assume that you will comply with these requirements.

III. CONDOMINIUM / COOPERATIVE REQUIREMENT

Section 6-05(d)(1)(iii) of the Rules requires that if a project is to be owned as a cooperative or condominium, you must provide a statement that if the prospective cooperative or condominium plan has not been declared effective for filing at a time fifteen months after the issuance of a final certificate of eligibility, you must register these rental units with the New York State Division of Housing and Community Renewal within fifteen days after the fifteen month period. If the building is not occupied at such time, you shall submit an affidavit of intent to register all units as they become occupied. We assume that you will comply with these requirements.

IV. COMMUNITY BOARD NOTICE REQUIREMENT

Section 6-03 of the Rules requires that a §421-a application for a project containing more than twenty (20) dwelling units be submitted to the community board in which the project is located. We assume that you will comply with this notice requirement.

V. DURATION OF BENEFITS

Section 6-02(d)(1) of the Rules establishes the duration of the 421-a partial tax exemption. It states that a partial real estate tax exemption for a maximum of three years (3) is available during

construction and for ten (10) years post-construction on tax lots within the Geographical Exclusion Area, only if housing units which are affordable to persons of low or moderate income are newly constructed or substantially rehabilitated off-site. You have advised us that you plan to purchase 421-a Negotiable Certificates from a developer of off-site affordable housing to qualify the project for the 421-a tax exemption. Based upon the information you have provided to us, the Project will be eligible for the construction period and the ten (10) year post-construction partial real estate tax exemptions.

The ten (10) year post-construction partial real estate tax exemption applies to the "increase" in a property's assessed valuation above the taxable assessment in the tax year (July 1st 2003 - June 30th 2004) prior to commencement of construction. The post-construction partial tax exemption takes effect during the tax year (July 1st - June 30th) following the January 5th after the Department of Buildings has issued a temporary or permanent certificate of occupancy (completion of construction) for all residential units in a project. The ten (10) year post-construction partial tax exemption occurs on a sliding scale as follows:

Fiscal Tax Year (July 1 to June 30) Following the Completion of Construction	Percentage of Increased Assessment Exempt from Taxes
First and Second tax years -	100%
Third and Fourth tax years-	80%
Fifth and Sixth tax years-	60%
Seventh and Eighth tax years-	40%
Ninth and Tenth tax years-	20%

VI. REDUCTION OF BENEFIT FOR EXCESS COMMERCIAL, COMMUNITY FACILITY OR ACCESSORY SPACE

Section 6-06(b) of the Rules provides for the tax exemption benefit granted by 421-a to be reduced if the floor area of the project's commercial, community facility and accessory use space exceeds twelve (12%) percent of the aggregate floor area. The amount of space attributable to commercial, community facility and accessory use space will be determined in accordance with the Rules based on the building plans for the Project as built.

VII. COUNSEL'S OPINION

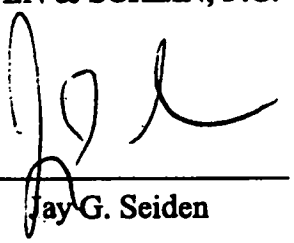
Based upon the information which you have provided to us and the assumptions stated herein, we believe that the Project will be eligible for a construction period partial tax exemption and a ten (10) year post-construction partial tax exemption, as provided by 421-a. Except as stated specifically herein, this letter is based solely upon the information which you provided to us and the assumptions stated herein. We have not verified any of your statements or investigated the accuracy of our assumptions. The Project must satisfy all statutory and

regulatory requirements of 421-a in order to be eligible for benefits and we cannot render a final opinion regarding eligibility until all documentation required for a Certificate of Eligibility has been provided to us and reviewed. This letter relates only to the above captioned Project and the specific facts and circumstances you have provided to us in connection therewith.

VIII. LIMITATIONS

This is an opinion, not a guaranty, that the Project 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 we be liable to any party if the Project fails to qualify for such real estate tax benefits for any reason beyond our control including, but not limited to, changes to section 421-a or to the regulations issued thereunder or to decisional law thereunder. This opinion is made only for the benefit of the addressees of this letter, as well as your co-lenders and participants with respect to financing the Project.

Very truly yours,
SEIDEN & SCHEIN, P.C.



By: _____
Jay G. Seiden

OPINION REGARDING ALLOCATION OF COMMON INTERESTS

KRAMER LEVIN NAFTALIS & FRANKEL LLP

919 THIRD AVENUE

NEW YORK, N.Y. 10022 - 3852

TEL (212) 715-9100
FAX (212) 715-8000

47, AVENUE HOCHE
75008 PARIS
FRANCE

March 18, 2005

Continental Residential Holdings, LLC
c/o Douglaston Development LLC
42-06 235th Street
Douglaston, New York 11363

Re: 325 Fifth Avenue Condominium (the "Condominium")

To Whom It May Concern:

You have requested our opinion regarding the allocation of common interests to the Units at the Condominium as required by 13 NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion shall have the same meaning as set forth in the Offering Plan (the "Plan") for the Condominium.

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

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

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

Very truly yours,

Kramer Levin Naftalis & Frankel LLP

Kramer Levin Naftalis & Frankel LLP

W. WORKING CAPITAL FUND

The Purchaser of each Residential Unit and Storage Unit shall be required to make a contribution at the closing of title to such Unit(s) to or in respect of the working capital fund of the Condominium (the "Working Capital Fund"). Such contribution shall be in an amount equal to two months' Common Charges then in effect for the Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time.

No reserve fund is being established for the Condominium. Sponsor has elected not to provide for a reserve fund to be used for capital replacements or repairs in respect of the Building because the Building will be new construction.

In addition, no reserve fund has been established for the Condominium in its budget for the projected First Year of Operation of the Condominium (Schedule B) for use by the Board, which in general has principal responsibility for repairing and maintaining the Common Elements (such as the roofs, central fire alarm and security systems, and various mechanical and electrical systems). The Board may decide in the future to establish a reserve fund or pay for necessary repairs or capital items by special assessment or by increasing Common Charges, payable by the Unit Owners. Each Unit Owner would be individually liable for the amount of such special assessment against, or increase payable by the Board to the extent of such Unit Owner's proportionate Common Interest among all Unit Owners.

At the First Closing, Sponsor will apportion the following items with the Board as of the date preceding said closing:

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

(2) fees for assignable permits and licenses, if any;

(3) charges for steam, gas, electricity and other utilities;

(4) payments under assignable service, maintenance and concession contracts;

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

(6) cost of fuel and Building supplies on hand, at Sponsor's cost (plus sales tax);

(7) premiums for transferable insurance policies; and

(8) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. No such adjustments or apportionments

are expected to be substantial. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

The Working Capital Fund may be held or used for working capital, to make repairs and/or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board, in its sole discretion and may be augmented by allocations from monthly Common Charges collected by such Board. Other than as provided in the preceding sentence, Sponsor will not separately contribute to the Working Capital Fund. However, while Sponsor controls the Board, the Working Capital Fund will not be used to reduce estimated Common Charges, and in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Units.

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

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

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X. MANAGEMENT AGREEMENT AND CONTRACTS

1. Management Agreement

It is presently contemplated that at or prior to the First Closing, the Board will enter into a management agreement with Cooper Square Realty, Inc., having an address at 6 East 43rd Street, New York, New York, to act as Managing Agent with respect to the Condominium.

It is contemplated that the Management Agreement will provide for an initial term of one year commencing on the First Closing and thereafter, if not otherwise terminated by the Board for a one year period, subject to any changes in fees set forth in a notice to be delivered to the Condominium Board which must be served at least forty-five (45) days but not more than sixty (60) days prior to the expiration of the initial term of the Management Agreement. The Managing Agent will receive an annual fee of $80,000 for such first year, payable in equal monthly installments. If the Managing Agent shall fail to perform or abide by any of its services, agreements, representations, warranties, covenants, or obligations herein, and shall fail to cure said failure within 30 days of notice of said failure sent by the Condominium to the Managing Agent, the Condominium shall have the right to terminate the Management Agreement at the end of any calendar month on not less than sixty (60) days' prior written notice to the Managing Agent. If the Condominium shall unreasonably refuse to comply with or abide by any proper Legal Requirement, the Managing Agent may terminate the agreement at any time on ten (10) days' prior notice in writing to the Condominium. The Managing Agent may otherwise terminate this Agreement on thirty (30) days' prior written notice to the Condominium.

The management fee will be included in Common Expenses as discussed above in Section E, "Projected Budget for First Year of Condominium Operation." The Managing Agent will be entitled to additional fees for certain special services performed by it.

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

(1) billing and collecting Common Charges payable by the Unit Owners;

(2) causing the Common Elements to be maintained, repaired, replaced and altered in the manner deemed advisable by the Board. The approval of the Condominium Board is necessary for any expenditure of over $3,000 for any one item of ordinary repairs or alterations (other than emergency repairs or repairs to comply with a governmental notice or order);

(3) contracting for necessary services and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements subject to the approval of the Board where such service contract is in excess of one (1) years or $3,000 per annum requires the consent of the Condominium;

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

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

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

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

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

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

(10) attending meetings of the Board and annual meetings of the Unit Owners, and preparing agendas and sending notices relating to such meetings, and if requested by the Condominium, provide a secretary, at the Condominium's expense to record the minutes of such meetings; and

(11) generally, doing all things deemed reasonably necessary or desirable by the Board for the proper management of the Building and attending to the various needs and comforts of the Unit Owners.

The Board will indemnify the Managing Agent against liability for all claims for all acts properly performed by the Managing Agent pursuant to the management agreement or at the instructions of the Board, provided however, any such indemnification shall not cover any claims resulting from the Managing Agent's gross negligence or willful misconduct.

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 renovations or major capital improvements, unless specifically agreed upon in writing by the parties and unless the Managing Agent receives an additional fee therefor.

The Managing Agent, at its own expense, will be bonded during the term of the Management Agreement under fidelity or general surety bonds in favor of the Condominium in the minimum amount of $100,000 for any loss resulting from fraudulent or dishonest acts committed by the Managing Agent, its directors, officers or employees.

Sponsor reserves the right during the Initial Control Period to designate any other reputable managing agent to perform all of the duties and services to be performed by the Managing Agent under the Plan and if Sponsor does so, Sponsor will cause such other managing agent to accept employment on terms substantially similar to the terms specified above. After the Initial Control Period, upon the expiration or sooner termination of the then current agreement with the Managing Agent, the Board may designate any other managing agent to perform the duties and services to be performed by the Managing Agent under the Plan. The term "Managing Agent" when used in the Plan with respect to any time after Sponsor or the Board has designated another managing agent shall mean such other agent. The Management

Agreement may not be assigned by the Managing Agent without the prior written consent of the Board. Sponsor will amend the Plan to disclose having entered into the Management Agreement promptly after execution thereof.

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Y. IDENTITY OF PARTIES

1. Sponsor

Sponsor is Continental Residential Holdings, LLC, a New York limited liability company with an office c/o Douglaston Development LLC, 42-06 235th Street, Douglaston, New York 11363. Sponsor's sole member is 325 Fifth Avenue, LLC, a New York limited liability company, the sole members of which are 325 Fifth Avenue Investors, LLC ("325 Investors") and JELB 5th Avenue LLC ("JELB"), each a New York limited liability company. The principals of 325 Investors are Mark Fisch and Steven Fisch; and the principal of JELB is Jeffrey E. Levine.

The individual officers, directors, shareholders and principals of Sponsor who are actively involved in the planning or consummation of the offering contemplated by the Plan are: Mark Fisch, Steven Fisch, Jeffrey E. Levine and Steven R. Charno.

Sponsor, its principals and affiliated entities have not been involved in any cooperative or condominium offerings in the State of New York within the past five years and do not own 10% or more of the Unsold Residential Units or unsold shares in any building.

The Secretary of State has been designated to receive service of process for Sponsor.

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

2. Attorneys for Sponsor

Sponsor has retained the law firm of Kramer Levin Naftalis & Frankel LLP, having an office at 1177 Avenue of the Americas, New York, New York 10036 ("Sponsor's Counsel"), to represent it in connection with the Plan. Jay A. Neveloff, Esq. and Jonathan H. Canter, Esq. had principal responsibility for the preparation of the Plan, the Declaration, the By-Laws and the forms of Agreement, Unit Deed and Unit Power of Attorney. Sponsor's Counsel has also rendered opinions with respect to the possible availability of income tax deductions to Purchasers of Residential Units and the allocation of Common Interests. Sponsor's Counsel will serve as Escrow Agent under the Agreements and will represent Sponsor in connection with Unit closings.

3. Selling Agent

The Selling Agent for the project is Cantor & Pecorella, having an office at 54 Greene Street, New York, New York 10013. The Selling Agent is a licensed real estate broker whose principals have been engaged in the sale of real estate for more than 20 years. The Selling Agent has recently acted as the selling agent for the following Manhattan condominiums: 151 West 17th Street, 224 West 18th Street, 21 Astor Place, 151 Sullivan Street, 497 Greenwich Street, 49 East 21st Street, and 95 Franklin Street.

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

4. Managing Agent

Sponsor presently anticipates that the initial Managing Agent for the Condominium will be Cooper Square Realty, Inc., having an address at 6 East 43rd Street, New York, New York 10017. Cooper Square Realty, Inc. has been engaged in the development, ownership, operation and management of New York City residential properties for over twenty years. It has managed over 150 residential properties including condominiums such as: 2372 Broadway; 301 West 57th Street; and 150 Columbus Avenue, all in New York, New York.

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

5. Budget Expert

Cooper Square Realty, Inc., having an address at 6 East 43rd Street, New York, New York 10017, estimated all amounts of income and expenses in Schedule B, "Projected Budget for First Year of Condominium Operation," in consultation with Sponsor. The budget expert has no financial interest in the Property, in Sponsor, in the Managing Agent, or in any other party interested in this transaction, except: (i) for its fees for services rendered in connection with the same; or (ii) to the extent it may in the future be designated as Managing Agent.

6. Real Estate Tax Consultant

Metropolitan Valuation Services, 444 Park Avenue South, Suite 402, New York, New York 10016, has been engaged as a real estate tax consultant in connection with the Plan. The firm prepared a forecast of the assessed valuation of the Units following construction and submission of the Property to a condominium regime of ownership that was used in preparing the provisions of Schedule A and other disclosures in the Plan regarding projected real estate taxes. The forecast was prepared by Steven J. Schleider, President of the firm. The real estate tax consultant has no financial interest in the Property, in Sponsor, in the Managing Agent, or in any other party interested in this transaction, except for its fees for services rendered in connection with the same.

7. Construction Professionals

Levine Builders is the construction manager engaged by Sponsor to construct the Project. Levine Builders, which is wholly-owned by Jeffrey E. Levine, has almost 25 years of experience as a general contractor/construction manager for residential and commercial projects and has built thousands of residential units and over one million square feet of commercial space. Jeffrey E. Levine, who is one of the principals of Sponsor, also is the principal of Levine

Builders. Some of Levine Builders' construction experience includes: Residential: **555 West 23rd Street** (under construction): a mid-rise new construction project of approximately 337 luxury market rate, residential rental apartments and 26,000 square feet of retail space, boutique galleries, and parking; **311 West 50th Street** (2002): new construction of 102 market rate apartments and 3,000 square feet of professional offices in a 7-story building located in the Clinton section of Manhattan; **171 Lexington Avenue** (2002): new construction of 42 apartments for low-income senior citizens in the Kips Bay section of Manhattan, a project developed under the New York City Inclusionary Zoning Bonus Certificate program; The Renaissance (2001): new construction of 241 limited equity cooperative apartments developed under the New York City's ANCHOR program and in association with The City of New York Department of Housing Preservation and Development, and the New York City Housing Development Corporation -- the largest single-site, mixed-use government sponsored project in New York City; **215 East 23rd Street**: new construction of a 300-bed student housing facility for the School of Visual Arts in a 22-story steel framed Art-Deco tower in the Gramercy Park section of Manhattan, featuring the latest technology in access control, intrusion alarms, video surveillance and fire safety monitoring; Commercial: **Central Harlem Partnership Plaza:** new construction of 60,000 square feet of retail space and below-grade parking for over 250 cars; **110 Leroy Street**: retrofit of a 9-story, 100,000 square foot vacant manufacturing building into prime office space which is now leased by The Shooting Gallery for use as a post-production studio; **Douglaston Station East**: Queens Chamber of Commerce award-winning new construction of our own offices featuring 18,000 square feet office building with parking beneath; and **100 Northfield Drive** (Connecticut): 125,000 square feet of "Class A" office space near the Hartford, CT business district.

The Stephen B. Jacobs Group, P.C. is the successor firm to Stephen B. Jacobs and Associates, P.C., which was founded in 1967. Since then, it has completed a wide range of commissions including high-rise luxury condominiums, international hotels, office buildings and adaptive reuse and preservation projects.

I. M. Robbins, P.C., 15 West 44th Street, New York, New York 10036, is the mechanical and electrical engineer for the Building and prepared the plumbing, mechanical and electrical report for the Building included in the Description of Property and the estimates of utilities consumption used in the preparation of Schedule B, "Projected Budget for First Year of Condominium Operation."

Cantor Seinuk Group, P.C. is the structural engineer for the construction work at the Property.

None of the construction professionals has a financial interest in the Property, in Sponsor, in the Managing Agent, or in any other party interested in this transaction, except for their respective fees for services rendered in connection with the same.

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Z. REPORTS TO UNIT OWNERS

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

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

2. at least 30 days' prior notice of the annual Unit Owners' meeting; and

3. a copy of the proposed annual budget of the Condominium at least 30 days prior to the date set for adoption thereof by the Board.

While Sponsor is in control of the Board, such budget shall be certified in compliance with Section 20.4(d) of the Regulations of the Department of Law.

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AA. DOCUMENTS ON FILE

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

The Declaration and the By-Laws will be recorded in the City Register's Office prior to or concurrently with the First Closing, and a copy thereof will be furnished to the Board at such time.

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BB. GENERAL

Except as set forth herein, there are no lawsuits, administrative proceedings or other proceedings, the outcome of which may materially affect the offering, the Property, Sponsor's capacity to perform all of its obligations under the Plan, the Condominium or the operation of the Condominium.

To the best of Sponsor's knowledge, the Property has not been the subject of any prior cooperative or condominium offerings. No preliminary binding agreements have been entered into and no money has been collected from prospective Purchasers.

Sponsor and the Selling Agent each hereby represent that it will not discriminate against any person on the basis of race, creed, color, national origin, gender, sexual orientation, age, disability, marital status or other grounds prohibited by law.

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

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

Sponsor reserves the right, from time to time prior to the First Closing, to substantially revise the terms and conditions upon which the Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor and/or prospective Purchasers under the Plan. However, no such change with respect to any Unit for which an Agreement is then in effect may be made without the consent of the Purchaser thereunder. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a material change that adversely affects any Purchasers, Sponsor shall grant such Purchasers a right to rescind their respective Agreements by written notice to Sponsor given within 15 days after the date of presentation of such amendment. In such event, Sponsor shall direct the Escrow Agent to return the Deposit of any Purchasers who duly rescind their Agreements.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not

contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

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CC. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property set forth as Exhibit 4 in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Property.

Dated: April 8, 2005
New York, New York

SPONSOR:

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

PART II

EXHIBIT 1

AGREEMENT

PLAN EXHIBIT 1

AGREEMENT

_____

_____

Purchaser(s)

with

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

Sponsor/Seller

_____

Unit Number ____
325 FIFTH AVENUE CONDOMINIUM
325 Fifth Avenue
New York, New York 10016

AGREEMENT

UNIT NO. ___

325 FIFTH AVENUE CONDOMINIUM
325 Fifth Avenue
New York, New York 100__

(to be executed in quintuplicate)

AGREEMENT (this "Agreement"), made as of the ___ day of _____ 200__, between CONTINENTAL RESIDENTIAL HOLDINGS, LLC, a _____ limited liability company, having an office at c/o Douglaston Development LLC, 42-06 235th Street, Douglaston, New York 11363 (hereinafter, "Sponsor"), and

_____

_____

having an address at _____

_____ (hereinafter, "Purchaser").

W I T N E S S E T H:

1. **Definitions.** Terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in the Offering Plan for 325 FIFTH AVENUE CONDOMINIUM (such plan, together with any amendments thereto filed prior to the date hereof, is hereinafter referred to as the "Plan").

2. **The Unit.** Sponsor hereby grants to Purchaser, and Purchaser hereby acquires from Sponsor, an option to purchase Unit No. ____ at the Condominium (as designated in the Declaration), together with the undivided _____% interest in the Common Elements appurtenant to such Unit (the "Unit"), upon and subject to the terms and conditions set forth herein.

3. **Purchase Price.**

3.1 The purchase price for the Unit (the "Purchase Price") is $_____ payable as follows:

(a) $_____ (the "Initial Deposit"), due upon the signing and submitting of this Agreement, receipt of which (subject to collection) is hereby acknowledged;

(b) $_____ (the "Additional Deposit"; the term "Deposit", as used herein, refers to both the Initial Deposit and, if the same has been paid at the time in question, the Additional Deposit), due upon the earlier to occur of: (i) _____ (the date which is four (4) months after the date of this Agreement); or (ii) fifteen (15) days after Sponsor serves Purchaser

with written notice of an amendment declaring the Plan effective, but in no event later than the closing of title, subject to collection;* and

(c) $_____ (the "Balance"), constituting the balance of the Purchase Price, at the closing as hereinafter provided.

3.2 All checks shall represent United States currency, be drawn on or issued by a New York bank which is a member of the New York Clearing House Association and shall be unendorsed. Checks for the Deposit shall be Purchaser's good check(s) or, at Sponsor's option, Purchaser's certified check(s) or an official bank check(s), made payable to the direct order of "Kramer Levin Naftalis & Frankel LLP, as Escrow Agent". The check or checks for the Balance and all other sums due Sponsor pursuant to this Agreement shall be good certified check of Purchaser or official bank or cashier's check, made payable to the direct order of "CONTINENTAL RESIDENTIAL HOLDINGS, LLC" (or such other party as Sponsor directs to Purchaser, in writing, prior to the date of closing of title). If any check is returned, dishonored or fails collection for insufficient funds or for any other reason, the Escrow Agent is authorized to deliver such check to Sponsor and Sponsor will have the choice of remedies set forth in the Plan and in this Agreement with respect to an Event of Default (which shall include suing on such dishonored check or (at Sponsor's option) canceling this Agreement and returning the instrument to Purchaser without affording Purchaser a grace period to cure such default).

4. Deposit.

4.1 The Initial Deposit shall be deposited within five (5) business days after this Agreement is countersigned by or on behalf of Sponsor and returned to Purchaser, and the Additional Deposit shall be deposited within five (5) business days after its receipt by Sponsor or Sponsor's agents, employees or the Escrow Agent, in each case into a segregated special interest-bearing escrow account (the "Escrow Account") at HSBC Bank USA, 452 Fifth Avenue, New York, NY 10018 (the "Depository") entitled "325 Fifth Avenue Condominium Escrow Account" subject to the provisions of the Plan with respect to the designation of a substitute bank and/or account type or title. The Deposit shall be held in trust in such account in conformity with Sections 352-e(2)(b) and 352-h of the New York General Business Law and the Attorney General's regulations promulgated pursuant thereto until such funds may be withdrawn in accordance with such laws and regulations and the terms of this Agreement and the Plan. While the same are being so held, such funds shall not be commingled with any other funds of Sponsor (except, at Sponsor's sole election, funds deposited by other purchasers under the Plan). The Escrow Account will be interest-bearing and, unless Purchaser defaults, interest will be credited to Purchaser at the closing. The interest rate to be earned will be the prevailing rate for these accounts. (No representation or guarantee is made as to the actual rate of interest that will be earned on such funds.) Interest, if any, will begin to accrue within five (5) business days after this Agreement is fully executed and tender for payment of the check representing the Deposit. Notwithstanding anything to the contrary contained herein, unless and until Purchaser has delivered to the Escrow Agent a completed and signed Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), whichever may be applicable, the Deposit will be deposited in a non-interest-bearing escrow account at the Depository.

4.2 The Deposit shall be held in the escrow account identified in Section 4.1 above until Kramer Levin Naftalis & Frankel LLP (the "Escrow Agent") is otherwise directed in: (a) a writing

* Omit if Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e. diplomatic immunity).

signed by both Sponsor and Purchaser; or (b) 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.

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

4.4 Sponsor will not object to the release of the escrowed funds to: (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan; or (b) all purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

4.5 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 escrowed funds and any interest thereon. Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is attached as Exhibit 8 of Part II of the Plan. The party applying for a determination must send all other parties a copy of the application. Pending the determination of the Attorney General to grant or deny the application, Sponsor, Purchaser and the Escrow Agent shall abide by any interim directive issued by the Attorney General.

4.6 Sponsor and Purchaser hereby jointly direct the Escrow Agent as follows:

(a) if title to the Unit is transferred to Purchaser, the Deposit shall be paid to Sponsor, and any interest earned on the Deposit shall be paid to Purchaser; or

(b) if Purchaser becomes entitled to cancel this Agreement in accordance with the terms of this Agreement or the Plan, and actually cancels this Agreement as so provided, the Deposit and any interest earned on the Deposit shall be refunded in full.

4.7 Notwithstanding anything set forth in this Article 4 to the contrary, the Escrow Agent may release a portion of the Deposit to Sponsor, provided that prior to such release, such released funds shall be secured by a bond ("Bond") obtained by Sponsor from an insurance company to be named in an amendment to the Plan (the "Insurance Company") in favor of Purchaser in an amount equal to the amount released, together with interest, if any, which shall accrue thereon as hereinafter provided. Sponsor will secure the Bond in accordance with Sections 352-e(2)(b) and 352-h of the New York General Business Law and Section 71-a of the New York Lien Law. Simultaneously with the delivery of the released funds to Sponsor, Purchaser will receive the Bond, the form of which Bond will be set forth as an exhibit in an amendment to the Plan. The Bond shall apply to a loss by Purchaser of the released portion of the Deposit in the event Sponsor fails to complete the Unit and deliver a deed or convey title to the Unit pursuant to this Agreement or if for any reason Purchaser is entitled to receive the return of the Deposit. The extent of Purchaser's recovery under the Bond is the amount of the released portion of the Deposit actually received by Sponsor, together with any interest which has accrued thereon in accordance with this Agreement, and the liability of the Insurance Company under the Bond does not exceed the amount of the Bond. In order to recover such funds pursuant to the Bond, Purchaser must file a claim with the Insurance Company. In the event of a dispute Sponsor must apply and Purchaser or the Insurance Company may apply to the Attorney General for a determination on the disposition of the portion of the Deposit secured by the Bond. All funds received by Sponsor will be handled in accordance

with the provisions of Sections 352-e(2)(b) and 352-h of the New York General Business Law and shall be employed by Sponsor only in connection with the consummation of the Plan.

4.8 Sponsor is required by law to submit a Form 1099 to the Internal Revenue Service reporting any interest earned on the Deposit, if any. Purchaser will be taxed accordingly on such interest, whether or not Purchaser ultimately receives the interest in accordance with the terms of this Article or Article 8.

5. Closing Date and Place.

5.1 The closing of title shall be held at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036 (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than thirty (30) days' prior notice. Sponsor may, from time to time, adjourn such date and hour upon reasonable prior notice to Purchaser, which notice shall fix a new date (and hour and place, if appropriate) for the closing of title (but in no event may Sponsor adjourn the date originally set herein for a closing for more than twelve months in the aggregate without the consent of Purchaser).

5.2 Whenever used herein, the terms "Closing Date" or "closing of title" or words of similar import shall mean the date on which the deed to the Unit is delivered to Purchaser.

6. Delivery of Deed and Power of Attorney.

6.1 At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying fee simple title to the Unit to Purchaser, subject only to the liens, encumbrances and title conditions set forth on Schedule A annexed hereto and made a part hereof. Sponsor shall prepare the deed, which shall be substantially in the form set forth in Exhibit 3 in Part II of the Plan, and Sponsor and Purchaser shall execute the deed and have the same acknowledged, in form for recording.

6.2 At the closing of title, Purchaser shall execute and acknowledge a power of attorney to the Board, prepared by Sponsor and substantially in the form set forth as Exhibit 2 in Part II of the Plan.

6.3 The executed deed and power of attorney shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded: (i) the deed shall be returned to Purchaser; and (ii) the power of attorney in favor of the Board shall be returned to the Board (or as the Board shall direct).

6.4 Purchaser's payment of the Balance and acceptance of the deed to the Unit shall constitute Purchaser's recognition that Sponsor has fully satisfactorily performed those obligations stated in the Plan and/or this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the closing, and nothing herein shall be in derogation of the rights of purchasers under Article 23-A of the General Business Law, the Plan or Part 20 of the Regulations issued by the Department of Law.

7. State of Title.

7.1 The title conveyed by Sponsor to Purchaser shall be subject only to the liens, encumbrances and title conditions set forth in Schedule A annexed hereto and made a part hereof. Any lien, encumbrance or condition to which title is not to be subject shall not be an objection to title if: (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to the Title Company (hereinafter defined), together with the recording or filing fee; or (b) Purchaser's title insurance company will insure Purchaser, at the company's regular rates and without additional premium, that it will not be collected out of, or enforced against, the Unit; or (c) Purchaser's title insurance company is unwilling to issue the affirmative insurance described in subsection (b) at its regular rates and without additional premium, and the Title Company would be willing to do so at its regular rates and without additional premium (as evidenced by the issuance of the same by the Title Company in connection with the closing of any other Units in the Condominium).

7.2 Sponsor shall be entitled to adjourn the closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least 10 days prior to the closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least 10 days prior to the closing, then, for purposes of Article 12 below, Purchaser shall be deemed at fault for not having sent timely notice, and the closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

7.3 The covenants in the deed will be solely for the personal benefit of Purchaser and will not inure to the benefit of Purchaser's successors or subrogees. In the event of a claimed breach of any covenant of the grantor contained in the deed, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor, it being agreed that the liability of Sponsor will be limited to any loss or damage not covered by such title insurance. In the event that Purchaser elects not to purchase title insurance, then the liability of Sponsor shall be limited to any loss or damage which would not have been covered by the title insurance that was available to Purchaser at the closing. The terms of any marked-up title binder of any title insurance company authorized to do business in New York State issued in connection with any Unit shall be conclusive evidence of the title insurance coverage that was available to Purchaser. The provisions of this Section 7.3 shall survive the closing of title or the termination of this Agreement.

8. Closing Adjustments.

8.1 The following costs with respect to the Unit shall be apportioned between Sponsor and Purchaser as of the Closing Date:

(a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;

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

(c) if Purchaser is allowed to occupy the Unit prior to the closing, accrued rent and any other charges pursuant to an interim lease or occupancy or other agreement, if any, covering the Unit.

8.2 If the Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser; however, the installment for the then current period shall be apportioned appropriately. If the Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment under subsection 8.1(a) hereof shall be based upon the Property's actual taxes and

assessment for such period prorated to the Unit in the manner set forth in Section 6.16 of the By-Laws and in Part I of the Plan.

8.3 Sponsor shall remit or cause to be remitted to Purchaser an amount equal to interest, if any, earned on the Deposit, on or promptly after the Closing Date.

8.4 In the event that Purchaser fails to close title to the Unit on the date originally scheduled for the closing of title, postpones the closing for any reason, or is deemed at fault for not timely sending notice of a title defect as provided in Article 7 above, and title thereafter closes, then:

(a) the closing apportionments shall be made as of the originally scheduled closing date regardless of when the actual closing of title occurs; and

(b) Purchaser shall pay Sponsor interest at the rate of 0.04% per day (or such lower rate per day which is the legal limit, if 0.04% per day exceeds the legal limit) on the total purchase price, computed from the original Closing Date until this transaction is actually closed. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, the foregoing provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

8.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect to Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as aforesaid and as otherwise provided herein or in the Plan.

8.6 Any errors or omissions in calculating apportionments at closing shall be corrected, and payment shall be made to the proper party, promptly after discovery. This provision shall survive the closing.

9. Closing Costs

Purchaser shall be required to pay certain costs in connection with the purchase of the Unit, in addition to any net credit in favor of Sponsor that may result from the closing adjustments and any interest or late closing charge described in Article 8. Other than any such net credit in favor of Sponsor that may result from the closing adjustments (or certain other fees which may be payable prior to the closing, as described below), all such closing costs shall be paid by Purchaser, at closing, by Purchaser's unendorsed, personal certified check or by official bank check, in either event drawn only upon a bank that is a member of the New York Clearing House Association. Such closing costs will include the following, the amounts of which (where applicable) are based on rates in effect on the date hereof and are subject to change without prior notice:

9.1 If Purchaser elects to obtain fee title insurance, Purchaser will pay a premium to the title company for such insurance, which will vary depending upon the amount of insurance purchased.

9.2 Purchaser will pay a fee to the City Register for recording the deed and the power of attorney of approximately $32.00 for each instrument plus $5.00 for each page (including the cover page), and will pay the $75.00 filing fee for the RP-5217 form. In addition, Purchaser's title insurance company may charge various fees and service charges in connection with such recordings and filings, all of which shall be payable by Purchaser.

9.3 If Purchaser obtains a mortgage loan, Purchaser shall pay all closing costs associated with such loan, which may include, but need not be limited to, the following:

(a) a fee and service charge for recording the mortgage at the same rates given above for recording the deed and power of attorney;

(b) a mortgage recording tax in the amount provided for by law, which on the date hereof is 2.0% of the principal amount of the mortgage for mortgages of less than $500,000 and 2.125% of the principal amount of the mortgage for mortgages equal to or greater than $500,000 (further, pursuant to law, the mortgagor receives a $25 deduction and the mortgagee pays .25%, and in each case, the amount payable to Sponsor under subparagraph (c) below is deducted);

(c) to Sponsor, a sum equal to the full amount (but not in excess thereof) of the partial mortgage recording tax credit provided by Section 339-ee(2) of the New York Condominium Act, to the extent the same is or becomes available, as a reimbursement for the mortgage recording taxes previously paid (such credit is based, in general, on the Common Interest of the Units being purchased multiplied by a portion of the mortgage tax previously paid on account of pre-existing mortgages on the Property);

(d) the premium for mortgage title insurance, if required by Purchaser's lender;

(e) deposits for Common Charges, real estate taxes, any assessments, water charges and sewer rents (if separately assessed), if required by Purchaser's lender; and

(f) such other costs and expenses in connection with such loan as determined by Purchaser's lender.

9.4 Purchaser will be required to pay the amount of $1,250 to Kramer Levin Naftalis & Frankel LLP, Sponsor's counsel, for each Unit purchased hereunder, in order to defray Sponsor's legal fees for services in connection with preparing the deed and power of attorney and for coordinating and attending the closing. If Purchaser obtains financing and the lender is unwilling to close at the offices of Sponsor's counsel or if Purchaser otherwise requests that the Closing occur other than at the office of Sponsor's counsel (or such other place as Sponsor may designate in its closing notice) and Sponsor in its sole discretion consents to such request, the closing may be held elsewhere in New York City, provided that Purchaser shall pay Sponsor's counsel a travel fee of $500 if the closing is held elsewhere in Manhattan and $750 if the closing is held in another borough other than Manhattan. As of the filing date of the Plan, the State of New York Insurance Department has interpreted Section 6409(d) of the New York Insurance Law as prohibiting a seller of real property from requiring a purchaser of real property to pay a fee for using a title abstract company/title agent of the purchaser's choice while exempting a purchaser who uses the title abstract company/title agent chosen by the seller from paying such fee. In the event of a change or clarification of, or applicable ruling with respect to, such interpretation permitting the charging of such fee: if Purchaser chooses (or is required by its lender) to obtain title insurance, Purchaser may use any title insurance company it desires, however, if Purchaser shall use an abstract company or title insurance company other than: (a) Title Associates, Inc. (825 Third Avenue; New York, New York 10022; Attn: Michelle Cruz Bingham; (212) 758-0050), (b) First American Title Insurance Company of New York (633 Third Avenue; New York, New York 10017; Attn: Michael Stoller or Steven Farber; (212) 922-9700), or (c) Fidelity National Title Insurance Company of New York (2 Park Avenue; New York, New York 10016; Attn: Neil Clark; (212) 845-3103) or such other or additional company/ies designated by Sponsor in an amendment to this Plan (any of the foregoing, the

"Title Company") and Sponsor incurs any additional legal fees or expenses as a result of such other company's form of title report or clearing the title exceptions, or addressing the requirements, of such other abstract or title insurance company, then Purchaser shall reimburse Sponsor or pay directly to Sponsor's Counsel the amount of such legal fees and expenses so incurred, not to exceed $650 per closing. If, through no fault of Sponsor, Purchaser fails to close on the date scheduled by Sponsor (including, without limitation, the failure of Purchaser or Purchaser's attorney to give at least ten (10) days' prior written notice of a title defect as required in Article 7 above and the failure of Purchaser to have payment in proper form available at closing), then Purchaser shall pay to Sponsor's counsel an additional fee of $600 for each Unit purchased hereunder for each rescheduled closing to help defray the cost of preparing for and coordinating the new closing and recalculating the closing apportionments. If Purchaser shall obtain mortgage financing, then Purchaser shall pay an additional fee of $500 to Sponsor's counsel to defray the additional costs associated therewith. In addition, if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement (or Purchaser otherwise exercises its limited right with respect to an assignment as provided in Section 23.4 hereof), a fee of $850, shall be payable by Purchaser to Sponsor's counsel, for preparation of an assignment agreement. Purchaser may be required to pay more than one fee pursuant to the preceding sentence and forgoing provisions with respect to a single Unit. At Sponsor's option in its sole discretion, any one or more of the foregoing fees to be paid to Sponsor's counsel shall be paid by Purchaser in advance, prior to closing, upon notice to Purchaser.

9.5 Purchaser shall make a contribution to the Working Capital Fund of the Condominium, payable to the Board, in an amount equal to two (2) months' Common Charges then in effect for each Unit pursuant to the Condominium budget and in accordance with Schedule A in the Plan, as the same may be amended from time to time.

9.6 Purchaser shall pay to the Board the Common Charges for the Unit for the first full month following the month in which title closes. In addition, if Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) shall pay to the Board an amount equal to the Common Charges for such Unit for a period of two (2) years as security for the faithful observance by Purchaser of the terms, provisions and conditions of the By-Laws. In the event that Purchaser defaults in respect of the terms, provisions and conditions of the By-Laws, the Board may use, apply, or retain the whole or any part of the security so paid in advance to the extent required for the payment of any Common Charges or any other sum as to which Purchaser is in default; and such Unit Owner shall, within thirty (30) days after notice from the Board, deposit with such Board the amount so applied or retained so that at the option of the Board, such Board shall have the full amount of said security on hand at all times. The provisions of the preceding sentence shall survive the closing of title.

9.7 Purchaser shall pay the Real Estate Transfer Tax due to the State of New York (the so-called "deed stamps" and, if applicable, the so-called "mansion tax"), the Real Property Transfer Tax due to the City of New York and any other real property transfer tax due to the City or State of New York. Purchaser agrees to indemnify and hold Sponsor harmless from and against any and all liabilities and expenses (including, without limitation, reasonable legal fees and disbursements) incurred by Sponsor by reason of the non-payment by Purchaser of any of the taxes Purchaser is obligated to pay hereunder in connection with the purchase of the Unit. Purchaser's obligations to pay the taxes described in this Section 9.7 and to indemnify Sponsor as herein provided shall survive the closing of title or the termination of this Agreement.

10. Transfer Tax Returns. At the closing, Purchaser shall duly complete and sign before a notary public the real property transfer tax return required to be filed with The City of New York ("RPT

Form") and Purchaser shall duly complete and sign the Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate ("Combined Tax Form") required to be filed with the Department of Taxation and Finance of the State of New York (the "Tax Department"), or such other forms as may then be required by law. The RPT Form and Combined Tax Form shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer. Sponsor will similarly execute all of such forms and other documents required in connection with recording of the deed including, without limitation, smoke detector and multiple-dwelling affidavits.

11. The Plan.

11.1 Purchaser acknowledges having received and read a copy of the Plan, including all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York, at least three (3) business days before submitting this Agreement. If, however, Purchaser did not receive a copy of the Plan at least three (3) business days before submitting this Agreement, Purchaser may rescind this Agreement, by sending written notice of same to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within seven (7) days of Purchaser's submission of this Agreement.

11.2 The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth herein at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern, except with respect to express modifications to the terms of the Plan included in this Agreement and agreed to by Sponsor and Purchaser, in which case such modifications will govern.

11.3 Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

12. Default by Purchaser. (a) Any of the following shall constitute an "Event of Default" hereunder:

(i) [Purchaser's failure to pay the Additional Deposit on the date set forth in Article 3 hereof,][*] Purchaser's failure to pay the Balance or any closing apportionment or closing cost required to be paid by Purchaser in Article 8 or 9 hereof on the Closing Date designated by Sponsor pursuant to Article 5 hereof, or the dishonor of any check given by Purchaser to Sponsor;

(ii) the failure to pay, perform or observe any of Purchaser's other obligations hereunder;

(iii) if Purchaser is permitted to become the tenant or other occupant of the Unit, Purchaser's failure to pay rent or to perform some other lease or occupancy obligation within the period after notice, if any, set forth in the lease or occupancy or other

[*] Omit if Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e. diplomatic or sovereign immunity).

agreement and either (x) Sponsor has obtained an order of eviction against Purchaser from a court of competent jurisdiction or (y) Purchaser has vacated the Unit;

(iv) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(v) If a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vi) If a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same within thirty (30) days.

(b) **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Balance and to pay, perform or observe Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Purchaser shall have thirty (30) days from the giving of the notice of such default to cure the specified default. If the default is not cured within such thirty (30) days, TIME BEING OF THE ESSENCE, then Sponsor, in its sole discretion, may thereupon cancel this Agreement. If Sponsor elects to cancel, this Agreement shall be deemed cancelled, and Sponsor, as its sole remedy, shall have the right to retain, as and for liquidated damages, the Deposit and any interest earned on the Deposit. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for any of the proceeds of such sale.

(c) Sponsor and Purchaser each hereby agree and acknowledge that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of a default by a Purchaser hereunder, and that the Deposit (including all interest) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred, including, without limitation, attorneys' fees, and shall be paid by Purchaser to Sponsor as Sponsor's sole and exclusive remedy. The payment of the deposit (including all interest) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor.

(d) NEITHER SELLER NOR PURCHASER SHALL CHALLENGE THE VALIDITY OF THE PROVISIONS OF THIS AGREEMENT OR THE PLAN WITH RESPECT TO LIQUIDATED DAMAGES OR ANY RIGHT OF SPONSOR SET FORTH HEREIN OR THEREIN TO RETAIN THE DEPOSIT IN THE EVENT OF A PURCHASER DEFAULT. SUCH PROVISIONS HAVE BEEN AGREED TO VOLUNTARILY, AFTER NEGOTIATION, WITHOUT DURESS OR COERCION BY ANY PARTY UPON ANY OTHER PARTY, AND WITH EACH PARTY HAVING BEEN (OR HAVING HAD FULL AND ADEQUATE OPPORTUNITY TO BE) REPRESENTED AND ADVISED BY COUNSEL, ACCOUNTANTS, BROKERS, APPRAISERS AND OTHER EXPERTS AND ADVISORS OF ITS OWN CHOOSING.

13. **Agreement Subject to Lien of Mortgage**. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any money deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall continue to be subject and subordinate to the lien of any mortgage heretofore or hereafter made 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 fullest extent thereof, without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless, if Purchaser is obtaining financing on the Unit, Purchaser assumes such mortgages (at Sponsor's discretion). The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration, or the Unit is released from, or not subject to, the lien of such mortgage at closing (unless Purchaser has assumed the continuation of a mortgage lien encumbering such Unit as hereinabove described).

14. **Agreement Subject to Plan Being Effective**. The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan (as the same may be amended from time to time). The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, together with interest, if any, earned thereon, shall be returned to Purchaser. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. **Sponsor's Inability to Convey the Unit**. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election not to cure such inability, and Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (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 Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within 30 days after receipt of notice of termination from Purchaser, return the Deposit to Purchaser, together with interest, if any, earned thereon. 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 and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan. The foregoing remedy must be exercised by written notice sent by Purchaser to Sponsor within ten days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the first remedy above to acquire title subject to such inability.

16. **Fixtures, Appliances and Personal Property**. Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in the sale of the Unit pursuant to this Agreement. No portion of the Purchase Price shall be attributable to such items.

17. **Construction**.

17.1 The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the Plans and Specifications (as defined in the Plan), subject to the right of Sponsor to amend the Plan and the Plans and Specifications in order to substitute materials, equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a temporary or permanent Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Plan in the Section entitled "Rights and Obligations of Sponsor."

17.2 The construction of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and Plans and Specifications as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

17.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Prerequisites to Closing of Title" in Part I of the Plan. As a result, if all other prerequisites not involving the construction of the Unit are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without any credit against or abatement in the Purchase Price and without any provision for escrow) once a temporary or permanent Certificate of Occupancy is issued for the Unit (notwithstanding any construction items noted on Purchaser's Inspection Report (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligations under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building not preventing Purchaser's occupancy of the Unit).

17.4 Sponsor has projected that, based upon currently anticipated schedules, construction of the Building will be sufficiently completed to permit closings of Units to begin in or about September 2006. The actual date for the First Closing is only an estimate and is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites described in the Plan. Purchaser acknowledges that construction may be delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery or inability to obtain on a timely basis or otherwise materials or equipment, governmental restrictions, or other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise expressly provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Closing occurs substantially earlier or later than the projected date or the time to complete or to close title to the Unit is accelerated, delayed or is postponed by Sponsor, Purchaser's rights as set forth in Plan in respect thereof being in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of are hereby expressly waived by Purchaser.

18. Inspection of Unit. At least one week (but not more than one month) prior to the Closing Date, at Sponsor's direction, Selling Agent shall notify Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with Selling Agent to inspect the Unit within the week prior to the Closing Date. Purchaser or his or her duly authorized agent shall attend such inspection, shall carefully inspect the Unit, and shall complete, date and

sign the Inspection Statement (in the form set forth as Schedule B to this Agreement) and deliver same to Selling Agent at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within the week prior to the Closing Date or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in "Rights and Obligations of Sponsor" in the Plan.

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

19.1 The risk of loss to the Unit by fire or other casualty, until the earlier of closing of title or possession of the Unit by Purchaser, is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. In the event of damage or destruction of the Unit due to fire or other casualty prior to the closing of title and the election by Sponsor to repair or restore the Unit, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and the Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing of title or the termination of the Agreement.

19.2 In the event of damage to or destruction of the Unit by fire or other casualty prior to the closing of title and the election by Sponsor, with notice thereof to Purchaser, that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, then if the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest, if any, earned thereon, and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain all such sums deposited by Purchaser hereunder and any interest earned thereon, as and for liquidated damages.

20. No Representations. Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes of the Unit, the ability to rent the Unit and/or the rental income therefor, 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; Purchaser has relied solely on his or her own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans on file in Sponsor's office and [to be]* filed in the City Register's Office, is

* Omit after Floor Plans have been filed in City Register's office.

accurate or correct, and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article 20 shall survive the closing of title or the termination of this Agreement.

21. Prohibition Against Advertising. Purchaser hereby covenants and agrees that it shall not, prior to the closing of title hereunder, list the Unit for sale or resale with any broker or otherwise advertise, promote, or publicize the availability of the Unit for sale. Any such listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser or its agents or representatives prior to the closing of title shall be an Event of Default hereunder, entitling Sponsor to the remedies set forth in Article 12 hereof. Purchaser hereby further covenants and agrees that it shall not list the Unit for sale or resale with any broker or otherwise advertise, promote, or publicize the availability of the Unit for sale following the closing of title hereunder until the earlier of: (a) one year after the First Closing; or (b) the closing of title to all Units. Any such listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser or its agents or representatives following closing in violation of the immediately preceding sentence shall entitle Sponsor to all remedies available at law, in equity or otherwise, including without limitation injunctive relief. The provisions of this Article 21 shall survive the closing of title or the termination of this Agreement.

22. Broker. Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than Selling Agent and _____. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than Selling Agent and the aforementioned broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker other than Selling Agent or the aforementioned broker on account of any acts or dealings of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including, but not limited to, reasonable legal fees and disbursements. The provisions of this Article 22 shall survive the closing of title or the termination of this Agreement.

23. Agreement May Not Be Assigned.

23.1 This Agreement, or any interest of Purchaser herein, shall not inure to the benefit of any successors or assigns of Purchaser and may not be assigned by Purchaser, without the prior written consent of Sponsor, which consent may be given or denied by Sponsor in its sole discretion. Any purported assignment by Purchaser in violation of this Agreement shall be an event of default by Purchaser entitling Sponsor to all remedies available at law, in equity or otherwise, including, without limitation, the remedies set forth in Article 12 hereof, and shall be voidable at the option of Sponsor.

23.2 If Purchaser is a corporation, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the stock of Purchaser, or if Purchaser is a partnership, limited liability company or other entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any interest in such partnership, limited liability company or other entity shall, for purposes of this Agreement, be considered an assignment and shall be subject to the provisions, prohibitions and terms of this Article concerning assignment of this Agreement, except that a sale of less than fifty percent (50%) of the stock, or in the case of a partnership, limited liability company or other entity, less than fifty percent (50%) of the ownership interests, of Purchaser which does not result in a change in control of Purchaser shall not be considered an assignment. For purposes of the preceding sentence only, "control" shall mean the ownership of fifty-one percent (51%) or more of the interests in such entity or possession of the power to direct the management and policies of such entity and the distribution of its profits.

23.3 If a Purchaser desires to assign its rights under this Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by Purchaser that differs from that reflected

in this Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition, deletion or substitution is permitted by Sponsor (in Sponsor's sole discretion), Purchaser shall deliver to Selling Agent or Sponsor's counsel, four (4) signed forms of assignment of this Agreement (to be prepared by Sponsor's counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), as well as three (3) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, in the form required by law. Upon each assignment or other change permitted by Sponsor (it its sole discretion), the assignments and Form W-8 or Form W-9, as applicable, must be delivered to Selling Agent or Sponsor's counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of $850 made payable to Kramer Levin Naftalis & Frankel LLP (for services rendered in connection with the assignment), not less than twenty (20) days prior to the date scheduled for the Purchaser's closing. In no event shall Purchaser or its assignee (or any added or substituted party) have any right to adjourn or postpone the closing as a result of any such change or assignment. Sponsor is not obligated to consent to any such change or assignment and, Sponsor's refusal to consent to an assignment or change in name will not entitle Purchaser to cancel this Agreement or excuse Purchaser from any of its obligations hereunder or give rise to any claim for damages against Sponsor; and the prohibition against advertising or publicizing the availability of Purchaser's Unit as set forth in Article 21 above and in the Plan will remain in effect.

23.4 Notwithstanding the provisions of Section 23.1 above, Sponsor will not unreasonably withhold its consent to the assignment by Purchaser, on one (1) occasion only, of all of Purchaser's rights under this Agreement to a Purchaser Affiliate or to member(s) of Purchaser's Immediate Family, provided that any such assignment is made without consideration and otherwise in accordance with the provisions and procedures set forth in Section 23.3 above. For purposes of this Section 23.4 only: (i) "Purchaser Affiliate" means an entity, as of the date of the assignment and at all times thereafter through and including the Closing, controlled by or under common control with Purchaser; (ii) "Immediate Family Members" means Purchaser's spouse, domestic partner, children, grandchildren, parents, grandparents, brothers or sisters, stepchildren and stepparents; and (iii) "control" means the ownership of fifty-one percent (51%) or more of the interests in such entity and possession of the power to direct the management and policies of such entity and the distribution of its profits.

23.5 Notwithstanding any consent by Sponsor pursuant to the terms of this Article to any such change of name or assignment, in no event shall Purchaser, as assignor, be released or relieved from any obligations, promises, covenants and liabilities under or in respect of this Agreement.

24. Binding Effect. The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Purchaser or Sponsor until Purchaser has signed this Agreement and delivered the signed Agreement and the Initial Deposit to Sponsor, and a counterpart hereof executed by Sponsor has been delivered to Purchaser. If this Agreement is not signed by Sponsor and a fully executed counterpart delivered to Purchaser or its attorneys within thirty (30) days after the date hereof, this Agreement shall be deemed to have been rejected and the Initial Deposit shall be promptly returned to Purchaser. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This

Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status, or other ground proscribed by law.

25. Notices.

25.1 Any notice, election, demand, consent, request or other communication hereunder or under the Plan shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail, return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed: to Purchaser at the address given at the beginning of this Agreement; and to Sponsor, addressed to Selling Agent at: 276 Fifth Avenue, New York, New York 10016, with a copy sent simultaneously and in like manner to Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attention: Jay A. Neveloff, Esq. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Except as otherwise expressly provided herein, a notice shall be deemed given when personal delivery or delivery by overnight courier is effected or, in the case of mailing, three (3) days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

25.2 Sponsor hereby designates and empowers both Selling Agent and Sponsor's counsel (Kramer Levin Naftalis & Frankel LLP) as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself.

26. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if the Unit is being purchased by more than one person, in which case their obligations shall be joint and several.

27. Liability of Sponsor. Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

28. Further Assurances. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

29. Severability. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

30. Strict Compliance. Any failure by either party hereto to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such other party.

31. **No Lien**. Neither this Agreement nor any monies deposited hereunder or expended by Purchaser in connection herewith shall constitute a lien against the Unit, any other Units, or any other portion of the Building or the Land upon which it is situated, and Purchaser may not record this Agreement or a memorandum thereof.

32. **Governing Law**. The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York applicable to contracts made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

33. **Purchaser's Representations**.

33.1 Purchaser represents that Purchaser has full right and authority to execute this Agreement and perform Purchaser's obligations hereunder. If Purchaser is not a natural person, Purchaser agrees to deliver at Closing, such documents evidencing Purchaser's authority as may be required by Purchaser's title company. Purchaser further represents that the Deposit represents Purchaser's own funds and that no other party (other than Purchaser or Seller, as provided herein) has any right or claim to all or any portion of the Deposit.

33.2 Purchaser is not now, nor shall it be at any time prior to or at the closing of title, an individual, corporation, partnership, joint venture, trust, trustee, limited liability company, unincorporated organization, real estate investment trust or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC or otherwise. Neither Purchaser nor any Person who owns an interest in Purchaser is now nor shall be at any time prior to or at the closing of title a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312 (a)(z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC or otherwise.

33.3 Purchaser has taken, and shall continue to take until the closing of title, such measures as are required by applicable law to assure that the funds used to pay to Seller the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and will at closing be, in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

33.4 The provisions of this Article shall survive the closing of title to the Unit or termination of this Agreement.

34. Agreement Not Contingent Upon Financing. The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof) stated in Article 3 of this Agreement, and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance the purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, any change in Purchaser's financial status or condition, nor any delay in or adjournment of the Closing, shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement.

35. Costs of Enforcing and Defending Agreement. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder. The provisions of this Article shall survive closing of title or the termination of this Agreement.

36. Waiver of Jury Trial. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, connected with, or relating to this Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived. The provisions of this Article shall survive closing of title or the termination of this Agreement.

37. Waiver of Diplomatic or Sovereign Immunity.

37.1 Purchaser hereby waives any and all immunity from suit or other actions or proceedings and agrees that, should Sponsor or any of its successors or assigns bring any suit, action or proceeding in New York or any other jurisdiction to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to this Agreement, no immunity from such suit, action or proceeding will be claimed by or on behalf of Purchaser.

37.2 As of the execution of this Agreement, Purchaser acknowledges and agrees that all disputes arising, directly or indirectly, out of or relating to this Agreement may be dealt with and adjudicated in the state courts of New York or the federal courts sitting in New York, and hereby expressly and irrevocably submits the person of Purchaser to the jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Agreement. So far as is permitted under the applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action shall be necessary in order to confer jurisdiction upon the person of Purchaser in any such court.

37.3 Purchaser irrevocably waives, to the fullest extent permitted by law, and agrees not to assert, by way of motion, as a defense or otherwise in any suit, action or proceeding arising, directly or indirectly, out of relating to this Agreement, brought in the state courts in New York or the federal courts sitting in New York: (i) any objection which it may have or may hereafter have to the laying of the venue of any such suit, action or proceeding in any such court; (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum; or (iii) any claim that it is not personally subject to the jurisdiction of such courts. Purchaser agrees that final judgment from which Purchaser has not or may not appeal or further appeal in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon Purchaser and, may so far as is permitted under the applicable law, be enforced in the courts of any state or any federal court and in any

other courts to the jurisdiction of which Purchaser is subject, by a suit upon such judgment and that Purchaser will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

37.4 Purchaser agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the State of New York, in order to make effective the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York and any other provisions of this Article 37.

37.5 Nothing in this Article 37 shall affect the right of Sponsor to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

37.6 The provisions of this Article 37 shall survive the closing of title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement.

37.7 In the event Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser shall hereby be deemed to have designated and hereby designates C.T. Corporation System, having its offices, at the date hereof, at 111 Eighth Avenue, New York, New York 10011 as its duly authorized and lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement.37.8 If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

38. **Entire Agreement**. This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

39. **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 otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Agreement.

40. **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.

41. **Successors and Assigns**. Subject to the provisions of Article 23 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

42. **No Oral Changes**. This Agreement, or any provision hereof, cannot be orally changed, terminated or waived. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES AND WHICH REFERS TO THIS AGREEMENT.

43. **Counterparts**. This Agreement and any Rider(s) which may be annexed hereto may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. A facsimile signature on this Agreement (or any such Rider(s)) shall be acceptable and be deemed binding. The party tendering such facsimile signature shall provide the other party with original counterparts of the signature page promptly after delivery of the facsimile signature page, although the failure to do so shall not invalidate the effectiveness of the facsimile signature.

44. **Rule of Construction**. There shall be no presumption against the drafter of this Agreement or the Plan.

45. **Section 1031 Exchange**. Sponsor hereby acknowledges that the acquisition of the Unit hereunder may be in connection with a tax deferred exchange under §1031 of the Internal Revenue Code and that Purchaser (except as prohibited by paragraph 24 of this Agreement) may be assigning all of its rights and obligations hereunder to a qualified intermediary as part of, and in furtherance of, such tax deferred exchange. Sponsor hereby agrees to reasonably assist and cooperate in such tax deferred exchange, provided, however, that: (i) any action taken in connection with such tax deferred exchange or requested of Sponsor shall not result in any cost, expense or liability on the part of Sponsor or increased risk to Sponsor relating to the transaction contemplated by this Agreement (and, among other things, Purchaser acknowledges that a fee may be payable to Sponsor's Counsel in connection with the review of any documentation related to such tax-deferred exchange); (ii) no action or failure on the part of Purchaser (or any other party to such tax deferred exchange) or cooperation on the part of Sponsor in connection with or related to said tax deferred exchange will frustrate the purpose of this Agreement or otherwise result in a reduction of Sponsor's rights, remedies and privileges under this Agreement or increase any of Sponsor's obligations or duties under this Agreement or otherwise; and (iii) Sponsor shall not be obligated, as part of any tax deferred exchange, to convey any property (other than the Unit), acquire any property, or accept any form of payment in respect of the amounts due hereunder other than as set forth herein. Purchaser shall indemnify and shall hold Sponsor harmless from and against any and all costs, expenses, fees (including, without limitation, reasonable attorneys' fees) or liabilities incurred by Sponsor in connection with or resulting from the said tax deferred exchange, and such indemnity shall survive the closing of title or the termination of this Agreement. Notwithstanding the foregoing, Sponsor makes no representation and expresses no opinion with respect to the applicability of §1031 of the Internal Revenue Code to the purchase or acquisition of a Unit.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth hereinabove.

SPONSOR:

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

By:_____
Name:
Title:

PURCHASER(s):

By:_____
Name:
Title:
Social Sec. Number
or Federal Tax ID:_____

PURCHASER(s):

By:_____
Name:
Title:
Social Sec. Number
or Federal Tax ID:_____

Purchaser acknowledges receipt of Offering Plan [and amendments] on _____ __, 200__

Initials of Purchaser(s):

_____ _____

SCHEDULE A

PERMITTED ENCUMBRANCES

1. Building and zoning laws and other regulations, resolutions and ordinances (including, but not limited to, any variances or use regulations) and any amendments thereto now or hereafter adopted.

2. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the Condominium By-Laws (and the Rules and Regulations made thereunder), the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Board and the Floor Plans, all as may be amended from time to time.

3. Any declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building or any portion or element thereof.

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

5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Property.

6. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended Certificate of Occupancy for the Building or any part of same.

7. Any encumbrance as to which the Title Company (or the title insurance company that insures Purchaser's title to the Unit) would be willing to insure, at its regular rates and without additional premium, in a fee policy issued by it to Purchaser, that such encumbrance will not be collected out of or enforced against the Unit if it is a lien, or that such encumbrance is not a blanket lien encumbering the Common Elements.

8. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for its permitted purposes.

9. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax.

10. Encroachments of trim, copings, retaining walls, stoops, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over or under the Property or the streets, sidewalks or premises abutting the Property, and the rights of governmental authorities to require the removal of any

such projections, and variations between record lines of the Property and retaining walls and the like, if any.

11. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

12. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.

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

14. Franchise taxes and New York City Business Corporation taxes of any corporation in the chain of title, provided that the Title Company would be willing in a fee policy issued by it to Purchaser, to insure that such taxes will not be collected out of the Unit.

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

16. Any Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

17. Any lease or other occupancy agreement for the Unit made by Sponsor and Purchaser.

18. Any violations against the Property (other than the Unit) that are the obligation of the Board or another Unit Owner to correct.

19. Restrictive covenants as set forth in Liber 532 cp 520 as repeated in Liber 534 cp 507, Liber 766 cp 358, Liber 681 cp 660, Liber 753 cp 95, Liber 692 cp 79, Liber 536 cp 351, Liber 664 cp 564, Liber 695 cp 598, Liber 737 cp 167 and Liber 2202 cp 111.

20. Right of way, sewer agreement and restrictive covenants as set forth in Liber 737 cp 167.

21. Party Wall Agreement recorded November 28, 1857 Liber 744 cp 363 (affects southerly line of Lot 3).

22. Terms, covenants and conditions of the following Zoning Lot Development Agreements:

(a) Zoning Lot and Development Agreement made by and between Forman Fifth, LLC, owner of Lot 1, as Transferor, and Continental Residential Holdings LLC, owner of the premises, as Transferee, dated as of August 16, 2004, recorded August 30, 2004 in CRFN 2004-000-539316.

(b) Zoning Lot and Development Agreement made by and between Prime 7-9 East 32nd, LLC, owner of Lot 9, as Transferor, and Continental Residential Holdings LLC, owner of the premises, as Transferee, dated as of August 16, 2004, recorded August 30, 2004 in CRFN 2004-000-539318.

(c) Zoning Lot and Development Agreement made by and between 11-13 East 32nd Street Housing Corporation, owner of Lot 11, as Transferor, and Continental Residential Holdings LLC, owner of the premises, as Transferee, dated as of August 16, 2004, recorded August 30, 2004 in CRFN 2004-000-539321.

23. Easement Agreement made by and among Continental Residential Holdings, LLC, Forman Fifth and HSBC Bank USA, dated as of August 16, 2004, recorded August 30, 2004 in CRFN 2004-000-539317.

24. Terms of Stipulation of Settlement and Consent Judgment of Ejectment in action Oriburger, Inc. v. B.W.H.N.V. Associates, Supreme Court, New York County, Index No. 104498/02.

25. Notice of Certification (as to Residential Plaza) made by and among Continental Residential Holdings, LLC, Forman Fifth LLC, Prime 7-9 East 32nd, LLC and 11-13 East 32nd Street Housing Corporation, dated as of September 1, 2004, recorded September 17, 2004 in CRFN 2004-000-584335.20.

26. Any state of facts shown on the Survey (the "Existing Survey") made by Fehringer Surveying, P.C. dated February 7, 2004.

27. Any state of facts which an update of the Existing Survey or any other accurate survey or a personal inspection of the Property and the Unit would show; provided such state of facts would not prevent the use of the Unit for its stated purposes; although any encroachment of a portion of the Unit structure upon another Unit or Units or upon the Common Elements may remain undisturbed as long as the same shall stand.

28. All other covenants, restrictions and matters of record.

SCHEDULE B

INSPECTION STATEMENT

CONTINENTAL RESIDENTIAL HOLDINGS, LLC
42-06 235th Street
Douglaston, New York 11363

Re: Unit No._____
325 FIFTH AVENUE CONDOMINIUM

Gentlemen:

As a result of my/our final inspection, please be advised that except as otherwise noted, I/we found the following items in good condition, free of chips, mars, breaks or other defects:

Items	Initials	Exceptions if any
Windows, window frames		
Electric fixtures & globes		
Interior painted surfaces		
Sinks, tubs, bowls & shower doors & trim		
Kitchen cabinets & counter tops		
Vanity tops & base		
Medicine cabinets, doors & mirror		
Hardware		
Flooring		
Appliances		

I/we understand that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to my/our date of moving. I/we agree and I/we will sign off each item requiring adjustment or repairs as it is completed.

_____
Purchaser's Signature

_____
Purchaser's Signature

_____
Sponsor's Representative

EXHIBIT 1A

FORM OF REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (W-9)

320 6-90
Form **W-9**
(Rev. April 1990)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

1041-15

Give this form to the requester. Do NOT send to IRS

Name (if joint names, list first and circle the name of the person or entity whose number you enter in Part I below. See instructions under "Name" if your name has changed)

Address (number and street)

List account number(s) here (optional)

City, state ZIP code

Part I **Taxpayer Identification Number (TIN)**

Enter your taxpayer identification number in the appropriate box. For individuals and sole proprietors, this is your social security number.

For other entities, it is your employer identification number. If you do not have a number, see *How To Obtain a TIN*, below.

Note: *If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.*

Social security number
___ ___ ___ - ___ ___ - ___ ___ ___ ___

OR

Employer identification number
___ ___ - ___ ___ ___ ___ ___ ___ ___

Part II **For Payees Exempt from Backup Withholding (See Instructions)**

Requester's name and address (optional)

Certification.—Under penalties of perjury, I certify that:

(1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**

(2) I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding.

Certification Instructions.—You must cross out item (2) above if you have been notified by IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. For real estate transactions, item (2) does not apply. For mortgage interest paid, the acquisition or abandonment of secured property, contributions to an individual retirement arrangement (IRA), and generally payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (Also see *Signing the Certification* under *Specific Instructions*, on page 2.)

Please Sign Here

Signature ➔ _____ **Date➔**

Instructions

(Section references are to the Internal Revenue Code.)

Purpose of Form.—A person who is required to file an information return with IRS must obtain your correct taxpayer identification number (TIN) to report income paid to you, real estate transactions, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an individual retirement arrangement (IRA). Use Form W-9 to furnish your correct TIN to the requester (the person asking you to furnish your TIN), and, when applicable, (1) to certify that the TIN you are furnishing is correct (or that you are waiting for a number to be issued), (2) to certify that you are not subject to backup withholding, and (3) to claim exemption from backup withholding if you are an exempt payee. Furnishing your correct TIN and making the appropriate certifications will prevent certain payments from being subject to the 20% backup withholding.

Note: *If a requester gives you a form other than a W-9 to request your TIN, you must use the requester's form.*

How To Obtain a TIN.—If you do not have a TIN, apply for one immediately. To apply, get Form SS-5, Application for a Social Security Number Card (for individuals), from your local office of the Social Security Administration, or Form SS-4, Application for Employer Identification Number (for businesses and all other entities), from your local Internal Revenue Service office.

To complete Form W-9 if you do not have a TIN, write "Applied For" in the space for the TIN in Part 1, sign and date the form, and give it to the requester. Generally, you will then have 60 days to obtain a TIN and furnish it to the requester. If the requester does not receive your TIN within 60 days, backup withholding, if applicable, will begin and continue until you furnish your TIN to the requester. For reportable interest or dividend payments, the payer must exercise one of the following options concerning backup withholding during this 60-day period. Under option (1), a payer must backup withhold on any withdrawals you make from your account after 7 business days after the requester receives this form back from you. Under option (2), the payer must backup withhold on any reportable interest or dividend payments made to your account, regardless of whether you make any withdrawals. The backup withholding under option (2) must begin no later than 7 business days after the requester receives this form back. Under option (2), the payer is required to refund the amounts withheld if your certified TIN is received within the 60-day period and you were not subject to backup withholding during that period.

Note: *Writing "Applied For" on the form means that you have already applied for a TIN OR that you intend to apply for one in the near future.*

As soon as you receive your TIN, complete another Form W-9, include your TIN, sign and date the form, and give it to the requester.

What Is Backup Withholding?—Persons making certain payments to you are required to withhold and pay to IRS 20% of such payments under certain conditions. This is called "backup withholding". o Payments that could be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee compensation, and certain payments from fishing boat operators, but do not include real estate transactions.

If you give the requester your correct TIN, make the appropriate certifications, and report all your taxable interest and dividends on your tax return, your payments will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

(1) You do not furnish your TIN to the requester, or

(2) IRS notifies the requester that you furnished an incorrect TIN, or

(3) You are notified by IRS that you are subject to backup withholding because you failed to report all your interest and dividends on your tax return (for reportable interest and dividends only), or

(4) You fail to certify to the requester that you are not subject to backup withholding under (3) above (for reportable interest and dividend accounts opened after 1983 only), or

(5) You fail to certify your TIN. This applies only to reportable interest, dividend, broker, or barter exchange accounts opened after 1983, or broker accounts considered inactive in 1983.

Except as explained in (5) above, other reportable payments are subject to backup withholding only if (1) or (2) above applies.

Certain payees and payments are exempt from backup withholding and information reporting. See *Payees and Payments Exempt From Backup Withholding, below, and Exempt Payees and Payments under Specific Instructions, on page 2. if you are an exempt payee.*

Payees and Payments Exempt From Backup Withholding.—The following is a list of payees exempt from backup withholding and for which no information reporting is required. For interest and dividends, all listed payees are exempt except item (9). For broker transactions, payees listed in (1) through (13) and a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if made to payees described in items (1) through (7), except that a corporation that provides medical and health care services or bills and collects payments for such services is not exempt from backup

EXHIBIT 1B

FORM OF CERTIFICATE OF FOREIGN STATUS (W-8BEN)

Form **W-8BEN**
(Rev. December 2000)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

▶ Section references are to the Internal Revenue Code. ▶ See separate instructions.
▶ Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for: **Instead, use Form:**

- A U.S. citizen or other U.S. person, including a resident alien individual W-9
- A person claiming an exemption from U.S. withholding on income effectively connected with the conduct of a trade or business in the United States W-8ECI
- A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions) . . . . . W-8ECI or W-8IMY
- A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions) . . . . . W-8ECI or W-8EXP

Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*

- A person acting as an intermediary W-8IMY

Note: *See instructions for additional exceptions.*

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of beneficial owner: ☐ Individual ☐ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 **I certify that (check all that apply):**

a ☐ The beneficial owner is a resident of .....within the meaning of the income tax treaty between the United States and that country.

b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).

e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, $500,000.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article .....of the treaty identified on line 9a above to claim a .....% rate of withholding on (specify type of income):.....

Explain the reasons the beneficial owner meets the terms of the treaty article: .....

.....

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,
- The beneficial owner is not a U.S. person,
- The income to which this form relates is not effectively connected with the conduct of a trade or business in the United States or is effectively connected but is not subject to tax under an income tax treaty, **and**
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ▶ ..... Signature of beneficial owner (or individual authorized to sign for beneficial owner) ..... Date (MM-DD-YYYY) ..... Capacity in which acting

EXHIBIT 2

RESIDENTIAL UNIT OWNER POWER OF ATTORNEY

UNIT OWNER'S
POWER OF ATTORNEY

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to

THE BOARD MANAGERS OF
325 FIFTH AVENUE CONDOMINIUM

325 Fifth Avenue Condominium
325 Fifth Avenue
New York, New York 10016
Unit No. _____

County: New York
Block: _____
Lot: ____

Record and Return to:

Kramer Levin Naftalis & Frankel LLP
919 Third Avenue
New York, New York 10022
Attention: Jay A. Neveloff, Esq.

UNIT OWNER'S
POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used in that certain Declaration, dated as of _____, 200__, by CONTINENTAL RESIDENTIAL HOLDINGS, LLC pursuant to Article 9-B of the Real Property Law of the State of New York, establishing condominium ownership of the premises known as 325 Fifth Avenue Condominium, 325 Fifth Avenue, New York, New York 10016 (hereinafter called the "**Condominium**"), which Declaration was recorded in the New York County Office of the Register of the City of New York (hereinafter called the "**Register's Office**") on _____, 200__, in Reel _____, at page _____ (as the same may have been amended, hereinafter called the "**Declaration**"), shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration.

The undersigned: _____, having an office/residing at: _____, the owner of the condominium unit (hereinafter called the "**Unit**") known as Unit No. _____ at the Condominium, said Unit(s) being so designated and described in the Declaration and also designated as Tax Lot _____ in Block _____ of the Borough of Manhattan on the Tax Map of the Real Property Assessment Bureau of the City of New York and on the Floor Plans of the Condominium certified by _____ on _____, 200__, and filed with the Real Property Assessment Bureau of the City of New York on _____, 200__, as Condominium Plan No. _____ and also filed in the Register's Office on _____, 200__, as Condominium Plan No. _____, [does/do] hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the board of managers of the Condominium (the **"Board"**), jointly 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 Board, or in the name of their designee (corporate or otherwise), but subject in all respects to the provisions of the Declaration and the By-Laws (collectively, the "**Condominium Documents**"), then in effect, to:

(i) acquire in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, title to any Unit, together with its appurtenant Common Interest:

(a) in connection with the enforcement of the Board's lien for unpaid Common Charges;

(b) whose owner desires to surrender the same pursuant to Section 6.2.2 of the By-Laws;

(c) that becomes the subject of a foreclosure or other similar sale; or

(d) for the use and occupancy of a superintendent or resident building manager;

on such terms, including, without limitation, price (with respect to subdivisions (c) or (d) above) as said attorneys-in-fact shall deem proper;

(ii) acquire or lease in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, any Unit, together with its appurtenant Common Interest, from any Unit Owner desiring to sell, convey, transfer, assign or lease the same, on such terms and conditions as said attorneys-in-fact shall deem proper;

(iii) convey, sell, lease, mortgage, or otherwise deal with (but not to vote the Common Interest appurtenant to) any Unit so acquired or to sublease any Unit so leased by them, without the necessity of any authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in and to said Unit which the undersigned could do if personally present; and

(iv) execute, acknowledge, deliver and (if determined to be necessary or desirable by said attorneys-in-fact) cause to be recorded in the City Register's Office:

(a) any declaration or other instrument affecting the Condominium that the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority (including, without limitation Chapter 3 of Title 25 of the New York City Administrative Code) applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium; or

(b) following due authorization by any affected Unit Owner(s) to the extent required in the Declaration or the By-Laws, any consent, covenant, restriction, easement or declaration, or amendment thereto, affecting the Condominium, or any of the Common Elements, in each case that the Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Board shall constitute the acts of said attorneys-in-fact.

This Power of Attorney shall be irrevocable.

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

_____

_____

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

On the __ day of _____ in the year _____ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF _____)
) ss.:
COUNTY OF _____)

On the __ day of _____ in the year _____ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the City of _____, County of _____ and State of _____.

_____
Notary Public

EXHIBIT 3

RESIDENTIAL UNIT DEED

CONDOMINIUM UNIT DEED

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

TO

---

325 FIFTH AVENUE CONDOMINIUM
325 Fifth Avenue
New York, New York 10016
Unit _____

County: New York
Block: _____
Lot: _____

Record and Return to:

Kramer Levin Naftalis & Frankel LLP
Attorneys for Sponsor
919 Third Avenue
New York, New York 10022
Attention: Jay A. Neveloff, Esq.

CONDOMINIUM UNIT DEED

THIS INDENTURE is made the ___ day of _____, 200 , by and between CONTINENTAL RESIDENTIAL HOLDINGS, LLC, a New York limited liability company having an address at c/o Douglaston Development LLC, 42-06 235th Street, Douglaston, New York 11363 (hereinafter called "**Grantor**") and _____, having an address at _____ (hereinafter called "**Grantee**").

W I T N E S S E T H:

That Grantor, in consideration of Ten ($10.00) Dollars and other valuable consideration paid by Grantee, the receipt and sufficiency of which are hereby acknowledged, does hereby grant and release unto Grantee, and the heirs or successors and assigns of Grantee, forever:

The Condominium Unit (hereinafter called the "**Unit**") in the building (hereinafter called the "**Building**") known as 325 FIFTH AVENUE CONDOMINIUM and by the street address 325 Fifth Avenue, Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Unit _____ in that certain declaration, dated as of _____, 200__ , made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter called the "**Condominium Act**") establishing condominium ownership of the Building and the land (hereinafter called the "**Land**") upon which the Building is situate (which Land is more particularly described in Schedule A annexed hereto and by this reference made a part hereof), which declaration was recorded in the New York County Office of the Register of The City of New York (the **"City Register's Office"**) on _____, 200__, as CRFN _____ (which declaration, and any amendments thereto, are hereinafter collectively called the "**Declaration**"). The Unit is also designated as Tax Lot __in Block _____ of the Borough of Manhattan on the Tax Map of the Real Property Assessment Bureau of The City of New York and on the Floor Plans of the Building certified by _____ on _____, 200__, and filed with the Real Property Assessment Bureau of The City of New York on _____, 200__, as Condominium Plan No. ___ and also filed in the City Register's Office on _____, 200__, as Condominium Plan No. ___;

together with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration) of 325 FIFTH AVENUE CONDOMINIUM;

together with the appurtenances and all the estate and rights of Grantor in and to the Unit;

together with, and subject to, all of the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and By-Laws of 325 FIFTH AVENUE CONDOMINIUM, as each of the same may be amended from time to time (said By-Laws and any amendments thereto are hereinafter collectively called the "**By-Laws**"), including, without limitation, the restrictions and other provisions with respect to the permitted uses of the Unit; all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

subject also to such other liens, agreements, covenants, easements, restrictions, consents, other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are hereinafter collectively called the "**Property**") as more particularly described in Schedule B annexed hereto and by this reference made a part hereof.

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

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 18 of the Declaration shall control.

Grantor covenants that Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Offering Plan and the Purchase Agreement (each as defined in the By-Laws), and the Declaration and By-Laws. This covenant is for the personal benefit of Grantee only and cannot be assigned to, exercised by, or inure to the benefit of any other person or entity, including, without limitation, any insurer of Grantee's title or successor to Grantee's interest.

In the event of a claimed breach of any covenant of Grantor contained in the preceding paragraph, Grantee shall first seek recovery against Grantee's title insurer before proceeding against Grantor for any breach of such covenants, it being agreed that the liability of Grantor shall be limited to the extent only that any loss or damage shall not be covered by such title insurance. In the event that Grantee shall elect not to purchase title insurance, then the liability of Grantor shall be limited to the extent only that any loss or damage would not have been covered by the title insurance that was available to Grantee as of the date of this conveyance. The terms of any marked-up title binder issued by any title insurer that is a member of the New York State Land Title Association, Inc. in connection with any unit in the Building shall be conclusive evidence against Grantee of the title insurance coverage that was available to Grantee as of the date of this conveyance.

Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that 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 improvements at the Property required to be made by Grantor and will apply the same first to the payment of the cost of such improvements before using any part of the same for any other purposes.

Grantee hereby accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof, including, without limitation, all the terms and provisions with respect to the permitted uses of the Unit.

The Unit conveyed by this Deed is intended for residential use only.

This conveyance is made in the regular course of business actually conducted by Grantor. The Unit is not subject to a credit line mortgage.

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

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

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

By:_____
Name:
Title:

PURCHASER:

_____
(Purchaser's Signature)

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

On the __ day of _____ in the year _____ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF _____)
) ss.:
COUNTY OF _____)

On the __ day of _____ in the year _____ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the City of _____, County of _____ and State of _____.

_____
Notary Public

SCHEDULE A

Description of the Land

LOT 3

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Fifth Avenue, distant 38 feet 3 inches northerly from the corner formed by the intersection of the northerly side of East 32nd Street and the easterly side of Fifth Avenue;

RUNNING THENCE northerly along Fifth Avenue, 26 feet to a point;

THENCE easterly parallel with the northerly side of East 32nd Street, 138 feet;

THENCE southerly parallel with the easterly side of Fifth Avenue, 26 feet; and

THENCE westerly parallel with the northerly side of East 32nd Street, 138 feet to the point or place of BEGINNING.

DESCRIPTION - SCHEDULE A
(CONTINUED)

LOT 4

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Fifth Avenue, distant 49 feet 5¼ inches southerly from the corner formed by the intersection of the southerly side of East 33rd Street and the easterly side of Fifth Avenue;

RUNNING THENCE easterly at right angles to the easterly side of Fifth Avenue, 100 feet;

THENCE northerly at right angles to the last mentioned course, 24 feet 9 inches;

THENCE westerly at right angles to the last mentioned course, 30 feet;

THENCE northerly at right angles to the last mentioned course, 24 feet 8¼ inches to the southerly side of East 33rd Street;

THENCE easterly along the southerly side of East 33rd Street, 80 feet;

THENCE southerly at right angles to the southerly side of East 33rd Street, 133 feet 3 inches;

THENCE westerly at right angles to the last mentioned course, 150 feet to the easterly side of Fifth Avenue; and

THENCE northerly along the easterly side of Fifth Avenue, 83 feet 9¾ inches to the point or place of BEGINNING.

DESCRIPTION - SCHEDULE A
(CONTINUED)

LOT 73

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Fifth Avenue, distant 24 feet 8¼ inches southerly from the corner formed by the intersection of the southerly side of 33rd Street with the easterly side of Fifth Avenue;

THENCE easterly parallel with 33rd Street, 100 feet;

THENCE southerly parallel with Fifth Avenue, 24 feet 9 inches;

THENCE westerly again parallel with 33rd Street and part of the distance through a party wall, 100 feet to the easterly side of Fifth Avenue; and

THENCE northerly along the easterly side of Fifth Avenue, 24 feet 9 inches to the point or place of BEGINNING.

DESCRIPTION - SCHEDULE A
(CONTINUED)

TOGETHER WITH all right, title and interest in and to the following described parcel:

THE ALLEYWAY DESCRPTION

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point in the northerly side of 32nd Street, distant 150 feet easterly from the corner formed by the intersection of the northerly side of 32nd Street and the easterly side of Fifth Avenue;

THENCE northerly and parallel with Fifth Avenue, 64 feet 3 inches;

THENCE westerly and parallel with 32ndStreet, 12 feet;

THENCE southerly and parallel with Fifth Avenue, 64 feet 3 inches to 32nd Street; and

THENCE easterly along the northerly line of 32nd Street, 12 feet to the point or place of BEGINNING.

SCHEDULE B

Permitted Encumbrances

1. Building and zoning laws and other regulations, resolutions and ordinances (including, but not limited to, any variances or use regulations) and any amendments thereto now or hereafter adopted.

2. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the Condominium By-Laws (and the Rules and Regulations made thereunder), the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Board and the Floor Plans, all as may be amended from time to time.

3. Any declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building or any portion or element thereof.

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

5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Property.

6. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended Certificate of Occupancy for the Building or any part of same.

7. Any encumbrance as to which the Title Company (or the title insurance company that insures Purchaser's title to the Unit) would be willing to insure, at its regular rates and without additional premium, in a fee policy issued by it to Purchaser, that such encumbrance will not be collected out of or enforced against the Unit if it is a lien, or that such encumbrance is not a blanket lien encumbering the Common Elements.

8. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for its permitted purposes.

9. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax.

10. Encroachments of trim, copings, retaining walls, stoops, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over or under the Property or the streets, sidewalks or premises abutting the Property, and the rights of governmental authorities to require the removal of any such projections, and variations between record lines of the Property and retaining walls and the like, if any.

11. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

12. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.

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

14. Franchise taxes and New York City Business Corporation taxes of any corporation in the chain of title, provided that the Title Company would be willing in a fee policy issued by it to Purchaser, to insure that such taxes will not be collected out of the Unit.

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

16. Any Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

17. Any lease or other occupancy agreement for the Unit made by Sponsor and Purchaser.

18. Any violations against the Property (other than the Unit) that are the obligation of the Board or another Unit Owner to correct.

19. Restrictive covenants as set forth in Liber 532 cp 520 as repeated in Liber 534 cp 507, Liber 766 cp 358, Liber 681 cp 660, Liber 753 cp 95, Liber 692 cp 79, Liber 536 cp 351, Liber 664 cp 564, Liber 695 cp 598, Liber 737 cp 167 and Liber 2202 cp 111.

20. Right of way, sewer agreement and restrictive covenants as set forth in Liber 737 cp 167.

21. Party Wall Agreement recorded November 28, 1857 Liber 744 cp 363 (affects southerly line of Lot 3).

22. Terms, covenants and conditions of the following Zoning Lot Development Agreements:

(a) Zoning Lot and Development Agreement made by and between Forman Fifth, LLC, owner of Lot 1, as Transferor, and Continental Residential Holdings LLC, owner of the premises, as Transferee, dated as of August 16, 2004, recorded August 30, 2004 in CRFN 2004-000-539316.

(b) Zoning Lot and Development Agreement made by and between Prime 7-9 East 32nd, LLC, owner of Lot 9, as Transferor, and Continental Residential Holdings LLC, owner of the premises, as Transferee, dated as of August 16, 2004, recorded August 30, 2004 in CRFN 2004-000-539318.

(c) Zoning Lot and Development Agreement made by and between 11-13 East 32nd Street Housing Corporation, owner of Lot 11, as Transferor, and Continental Residential Holdings LLC, owner of the premises, as Transferee, dated as of August 16, 2004, recorded August 30, 2004 in CRFN 2004-000-539321.

23. Easement Agreement made by and among Continental Residential Holdings, LLC, Forman Fifth and HSBC Bank USA, dated as of August 16, 2004, recorded August 30, 2004 in CRFN 2004-000-539317.

24. Terms of Stipulation of Settlement and Consent Judgment of Ejectment in action Oriburger, Inc. v. B.W.H.N.V. Associates, Supreme Court, New York County, Index No. 104498/02.

25. Notice of Certification (as to Residential Plaza) made by and among Continental Residential Holdings, LLC, Forman Fifth LLC, Prime 7-9 East 32nd, LLC and 11-13 East 32nd Street Housing Corporation, dated as of September 1, 2004, recorded September 17, 2004 in CRFN 2004-000-584335.20.

26. Any state of facts shown on the Survey (the "Existing Survey") made by Fehringer Surveying, P.C. dated February 7, 2004.

27. Any state of facts which an update of the Existing Survey or any other accurate survey or a personal inspection of the Property and the Unit would show; provided such state of facts would not prevent the use of the Unit for its stated purposes; although any encroachment of a portion of the Unit structure upon another Unit or Units or upon the Common Elements may remain undisturbed as long as the same shall stand.

28. All other covenants, restrictions and matters of record.

EXHIBIT 4

FORM OF PROMISSORY NOTE AND MORTGAGE WITH RESPECT TO SUPERINTENDENT'S UNIT

PUBLISHER, NYC 10013

CONSULT YOUR LAWYER BEFORE SIGNING THIS FORM—THIS FORM SHOULD BE USED BY LAWYERS ONLY.

Mortgage Note

$ 1,175,000 ..... 20.....

Promise to pay I promise to pay to CONTINENTAL RESIDENTIAL HOLDINGS, LLC

(the "Lender")

principal amount or order the sum of

One Million One Hundred Seventy-Five Thousand Dollars ($ 1,175,000)

interest with interest at the rate of % per year from the above date until the debt is paid in full.

payments I will pay the debt as follows:

Equal monthly installments of interest only on the first day of each and every month; and one final payment of all outstanding principal, interest and any other amounts due and payable, on the date which is five (5) years from the date hereof.

payment address Payment is to be made at Continental Residential Holdings, LLC, 42-06 235th Street, Douglaston, NY 11363 or at whatever other address I am directed to pay.

application of payments The Lender will apply each payment first to interest charges and then to repayment of the principal amount of the debt.

Escrow payments If a box below is initialed, in addition to the monthly payments listed above, I will have to pay to the Lender (or whomever the Lender directs me to pay) each month, until the debt is fully paid, the following extra payments:

[X] 1/12 of the estimated taxes, assessments, water rates and sewer rents for the following 12 months on the mortgaged property, and

[ ] 1/12 of the annual premium for the insurance which must be maintained in accordance with the mortgage.

These payments will be held by the Lender in an escrow account (one held by the Lender for this purpose). The Lender will then pay the taxes, assessments, water rates and sewer rents, assessments and insurance premiums directly. If the Lender does not have enough money on deposit to pay these charges when due, I will pay the difference to the Lender within ten days after Lender requests payment. If requested, I will make larger monthly payments to the Lender based on the Lender's estimate of these charges.

The Lender will pay interest on the escrow funds on deposit only if the law requires it and at the rate required by law.

This is a mortgage note This Note is secured by a Mortgage dated the same day as this note.

Default, when full amount due immediately Lender may declare the full amount of this Note due immediately for any default. The following are defaults:

(a) failure to pay, when due, any amount payable on any of my obligations under this Note;

(b) Failure to do anything I am obligated to do under the Mortgage.

Anything that would be a default under the Mortgage will also be a default under this Note. This means that upon the Lender's demand, I will have to pay the full amount of this debt plus any other charges which the Lender is entitled to under the Mortgage.

Prepayment I can repay the entire debt in advance whenever I want, or I can repay part of the debt in multiples of $100 in advance whenever a regular monthly payment is due. There will be no extra charge for this. If I pay ahead of time, I will have to pay interest on the payment prepaid only to the date of prepayment.

Notice not required If the Note is not paid when due, the Lender does not have to notify me before the Lender can enforce rights to collect all amounts due. The Lender does not have to present this Note, demand payment or protest.

No waiver Delay or failure of the Lender to take any action will not prevent the Lender from doing so later.

Applicable law The laws of the State of New York shall apply to this Note.

PUBLISHER NYC 10013

CONSULT YOUR LAWYER BEFORE SIGNING THIS FORM—THIS FORM SHOULD BE USED BY LAWYERS ONLY.

Mortgage

Date.....

Parties

Mortgagor The Condominium Board of
325 Fifth Avenue Condominium

Mortgagee Continental Residential Holdings, LLC

The Mortgagor promises and agrees as follows:

Transfer of rights in the Property

1. The Mortgagor hereby mortgages to the Mortgagee the Property described in this Mortgage. Mortgagor can lose the Property for failure to keep the promises in this Mortgage.

Underlying debt, future advances

2. This Mortgage is made to secure a Debt of the Mortgagor to the Mortgagee for One Million One Hundred Seventy-Five Thousand---------- dollars ($ 1,175,000), payable with interest according to a Bond or Note having the same date as this Mortgage. The Mortgagee may make advances in the future to the Mortgagor or future owners of the Property. In addition to the above Debt the Bond or Note and this Mortgage is intended to secure any more debts now or in the future owed by the Mortgagor to the Mortgagee. The maximum amount of debt secured by the Bond or Note and this Mortgage shall not be greater than the Debt stated above. Mortgagee is not obligated to make future advances.

Property mortgaged

3. The Property mortgaged (the "Property") is ~~All~~

SEE SCHEDULE A

Payment

4. Mortgagor will pay the Debt as promised in the Bond or Note according to its terms.

Insurance

5. Mortgagor will keep the buildings on the Property insured against loss by fire and other risks included in the standard form of extended coverage insurance. The amount shall be approved by Mortgagee but shall not exceed full replacement value of the buildings. Mortgagor will assign and deliver the policies to Mortgagee. The policies shall contain the standard New York Mortgage clause in the name of Mortgagee. If Mortgagor fails to keep the buildings insured Mortgagee may obtain the insurance. Within 30 days after notice and demand Mortgagor must insure the Property against war risk and any other risk reasonably required by Mortgagee.

SCHEDULE A TO MORTGAGE

The Condominium Unit (hereinafter called the "**Unit**") in the building (hereinafter called the "**Building**") known as 325 FIFTH AVENUE CONDOMINIUM and by the street address 325 Fifth Avenue, Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Unit 9A in that certain declaration, dated as of _____, 200__ , made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter called the "**Condominium Act**") establishing condominium ownership of the Building and the land (hereinafter called the "**Land**") upon which the Building is situate (which Land is more particularly described in Schedule B annexed hereto and by this reference made a part hereof), which declaration was recorded in the New York County Office of the Register of The City of New York (the "**City Register's Office**") on _____, 200__, as CRFN _____ (which declaration, and any amendments thereto, are hereinafter collectively called the "**Declaration**"). The Unit is also designated as Tax Lot ___in Block _____ of the Borough of Manhattan on the Tax Map of the Real Property Assessment Bureau of The City of New York and on the Floor Plans of the Building certified by _____ on _____, 200__, and filed with the Real Property Assessment Bureau of The City of New York on _____, 200__, as Condominium Plan No. ___ and also filed in the City Register's Office on _____, 200__, as Condominium Plan No. ___;

together with an undivided 0.3717% interest in the Common Elements (as such term is defined in the Declaration) of 325 FIFTH AVENUE CONDOMINIUM;

together with the appurtenances and all the estate and rights of Grantor in and to the Unit.

SCHEDULE B

DESCRIPTION OF PREMISES

Lot 3:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Fifth Avenue, distant 38 feet 3 inches northerly from the corner formed by the intersection of the northerly side of East 32nd Street and the easterly side of Fifth Avenue;

RUNNING THENCE Northerly along Fifth Avenue, 26 feet to a point;

THENCE Easterly parallel with the northerly side of East 32nd Street, 138 feet;

THENCE Southerly parallel with the easterly side of Fifth Avenue, 26 feet;

THENCE Westerly parallel with the northerly side of East 32 Street, 138 feet to the point or place of BEGINNING.

Lot 4:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Fifth Avenue, distant 49 feet 5 ¼ inches southerly from the corner formed by the intersection of the southerly side of East 33rd Street and the easterly side of Fifth Avenue;

RUNNING THENCE Easterly at right angles to the easterly side of Fifth Avenue, 100 feet;

THENCE Northerly at right angles to the last mentioned course, 24 feet 9 inches;

THENCE Westerly at right angles to the last mentioned course, 30 feet;

THENCE Northerly at right angles to the last mentioned course, 24 feet 9 ¼ inches to the southerly side of East 33rd Street;

THENCE Easterly along the southerly side of east 33rd Street, 80 feet;

THENCE Southerly at right angles to the southerly side of East 33rd Street, 133 feet 3 inches;

THENCE Westerly at right angles to the last mentioned course, 150 feet to the easterly side of Fifth Avenue;

THENCE Northerly along the easterly side of Fifth Avenue, 83 feet 9 ¾ inches to the point or place of BEGINNING.

Lot 73:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Fifth Avenue, distant 24 feet 8 ¼ inches southerly from the corner formed by the intersection of the southerly side of East 33rd Street and the easterly side of Fifth Avenue;

THENCE Easterly parallel with East 33rd Street, 100 feet;

THENCE Southerly parallel with Fifth Avenue, 24 feet 9 inches;

THENCE Westerly again parallel with East 33rd Street and part of the distance through a party wall, 100 feet to the easterly side of Fifth Avenue; and

THENCE Northerly along the easterly side of Fifth Avenue, 24 feet 9 inches to the point or place of BEGINNING.

Alleyway Description:

A two-thirds (2/3) interest in and to:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point in the northerly side of East 32nd Street, distant 150 feet easterly from the corner formed by the intersection of the northerly side of East 32nd Street and the easterly side of 5th Avenue;

THENCE Northerly and parallel with 5th Avenue, 64 feet 3 inches;

THENCE Westerly and parallel with East 32nd Street, 12 feet;

THENCE Southerly and parallel with 5th Avenue, 64 feet 3 inches to East 32nd Street; and

THENCE Easterly along the northerly line of East 32nd Street; 12 feet to the point or place of BEGINNING.

B	L	Prem
862	3	321 5TH AVE
862	4	323 5 AVE
862	73	329 5 AVE
862	P/O 1	319 5 AVE
862	P/O 3	321 5 AVE
862	P/O 4	323 5 AVE
862	P/O 9	7 FIFST 12TH ST

RIDER ANNEXED TO AND FORMING A PART OF MORTGAGE DATED AS OF _____, 200_ BETWEEN THE CONDOMINIUM BOARD OF 325 FIFTH AVENUE CONDOMINIUM, MORTGAGOR, AND CONTINENTAL RESIDENTIAL HOLDINGS, LLC, MORTGAGEE

21. No action, delay or failure on the part of the Mortgagee to exercise any right or remedy hereunder shall operate as a waiver thereof and such rights and remedies shall be deemed continuous, nor shall a partial exercise preclude full exercise thereof. No right or remedy of the Mortgagee shall be deemed abridged or modified by any course of conduct and no waiver thereof shall be predicated thereon, nor shall failure to exercise any such right or remedy subject the Mortgagee to any liability. All rights and remedies of the Mortgagee shall be cumulative and may be exercised singly or concurrently. Notwithstanding anything to the contrary herein contained, the Mortgagor hereby waives trial by jury, and the right to interpose any defense (other than payment), set-off or counterclaim whatsoever, and agrees to pay all costs and expenses of any action or preparation for any action to enforce this Mortgage and the indebtedness secured hereby (whether or not the same be actually commenced) together with reasonable attomeys' fees, and said amount shall be a lien upon the Property in the same manner and with the same force and effect as if such additional expenses and fees were part of the original principal sum of the indebtedness secured hereby.

22. Mortgagor may prepay the debt in full or in part (in multiples of $5,000), but if in part, together with all accrued and unpaid interest thereon to the date of prepayment, without premium or penalty, on the first day of any calendar month, upon giving to Mortgagee not less than ten (10) days prior written notice of prepayment and the amount to be prepaid. Partial prepayments will be applied to reduce the outstanding principal sum; and monthly installments of interest due and payable in respect of the period thereafter shall be adjusted accordingly.

23. In order more fully to protect the security of this Mortgage, and the indebtedness secured hereby, the Mortgagee shall have the right to require the Mortgagor to deposit with the Mortgagee a sum equal to any real estate taxes, common charges, special assessments, if any, levied or assessed against the Property, and not more than thirty (30) days prior to the due date from the payment of any said items. It is the intention of the parties that the Mortgagor shall deposit with the Mortgagee the necessary funds so that the Mortgagee at all times during the terms of this Mortgage and any further extension hereof shall have on hand sufficient deposits covering the various items for the respective accrued periods pertaining to each of them so that the deposits of one need not be used for the payment of another, except, however, that the Mortgagee, at its option, may use the deposits of one for the payment of another, and any resulting deficiencies shall forthwith be paid by the Mortgagor. The said funds shall be held in trust by the Mortgagee and shall bear no interest unless otherwise required by law. It is agreed that in the event the Mortgagor defaults in respect of any of the terms, provisions and conditions of this Mortgage, including, but not limited to, the making of any payments due under this paragraph 23, the Mortgagee may apply or retain the whole or any part of the said funds to the extent required for the making of said payments or for any sum which the Mortgagee may expend by reason of such default. Upon an assignment of this Mortgage, the Mortgagee shall have the right to pay over the balance of such deposits in its possession to the

assignee and the Mortgagee shall thereupon be completely released from all liability with respect to such deposits and the Mortgagor shall look solely to the assignee or transferee in reference thereto. This provision shall apply to every transfer of such deposits to a new assignee. Upon full payment of the indebtedness secured hereby or at any prior time at the election of the Mortgagee, the balance of the deposits in its possession shall be paid over to the record owner of the Property and no other party shall have any right or claim thereto in any event.

24. This Mortgage is a purchase money mortgage.

25. The whole of the principal sum and interest shall become due at the option of the Mortgagee if the Mortgagor shall make a general assignment for the benefit of its creditors, or shall file a voluntary petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent under any present or future statute, law or regulation, or shall file an answer admitting or failing to deny the material allegations of an involuntary petition in bankruptcy or shall admit in writing the inability to pay debts as they mature, or if any proceeding in connection with any of the foregoing shall not have been dismissed within ninety (90) days after the commencement thereof, or if a trustee or receiver of the Mortgagor or of any substantial part of the Mortgagor's properties shall be appointed with the consent of the Mortgagor, or if such appointment, if not so consented to or acquiesced in, shall remain unvacated or unstayed for an aggregate of ninety (90) days, whether or not consecutive.

The whole of the unpaid principal and accrued interest shall also become immediately due, at the option of the Mortgagee, in the event that the Unit is sold or further mortgaged or occupied by anyone other than the Resident Manager of the 325 Fifth Avenue Condominium.

26. The Mortgagor covenants that it will not do, cause, suffer or permit anything to be done which may impair the value of the Property.

27. The Mortgagor shall not, without the prior written consent of the Mortgagee, lease, license, sell, transfer, or convey the Property or further pledge, mortgage or encumber the Property.

28. The terms, provisions, covenants and conditions contained in the Note secured by this Mortgage are hereby incorporated by reference and made a part hereof with the same force and effect as if fully set forth in this Mortgage.

29. Wherever the Mortgagee is in this instrument given the option to accelerate the maturity of the mortgage debt, the Mortgagee may, to the extent permitted by law, do so without notice or demand to or upon the Mortgagor, except as otherwise specifically provided herein.

30. The Mortgagor agrees to promptly pay when due any stamp taxes, recording taxes, personal property taxes or other taxes or charges of any nature whatsoever, imposed by any governmental authority as a result of the making and recording of this Mortgage and the Note which it secures. If the Mortgagor fails to timely make such payments when due, same shall constitute a default under this Mortgage at the option of the Mortgagee. The

Mortgagee agrees to submit to the Mortgagor any bills or other invoices which the Mortgagor is required to pay under this paragraph.

31. The Mortgagor shall have a grace period of ten (10) days after the due date to pay any installments of interest, principal or other sum under the Note and Mortgage and fifteen (15) days after notice for any non-monetary default under the Note and Mortgage. To cover the additional expenses incurred by Mortgagee in handling delinquent payments, Mortgagor will pay on demand a "late charge" equal to four ($0.02) cents for each dollar remaining unpaid for more than fifteen (15) days after the date when due, and interest at the rate of 1.5% per month on such unpaid amounts, together with reasonable attorneys' fees and expenses incurred for collection. The provisions of this paragraph 31 shall not be construed to permit any additional time or waive the obligation of Mortgagor to pay timely installments of interest or principal hereunder. The acceptance by Mortgagee of the payment of any late charge or interest shall not be deemed to waive any prior or subsequent default hereunder.

32. Notwithstanding anything to the contrary contained in this Mortgage, in no event shall any sum required of the Mortgagor under this Mortgage be in excess of the maximum interest rate permitted by law, and, in the event any sum shall be deemed to exceed such rate, such sum shall be reduced to the maximum sum permitted by law.

33. Interest payable hereunder shall be calculated on the basis of a 360-day year for the actual number of days elapsed.

34. Whenever the context shall require, the singular number shall be held to include the plural number, and vice versa, and words of any gender shall be deemed to include any other gender.

35. The Mortgagor shall pay all costs of collection when incurred by the Mortgagee, including, without limitation, reasonable attorneys' fees and expenses, which costs may be added to the Debt and shall be secured by this Mortgage and shall be paid promptly on demand.

36. The Mortgagor shall not assign its obligations under the Note or this Mortgage without the prior written consent of the Lender or Mortgagee, and no such assignment, whether made in contravention of this Mortgage or otherwise, shall operate to release the Mortgagor from its obligations under the Note or this Mortgage.

37. A breach by the Mortgagor of any covenant in the Note or in this Mortgage beyond any applicable grace or notice period shall constitute a default by the Mortgagor hereunder.

38. Upon any default by the Mortgagor hereunder, the Mortgagee shall have all rights and remedies available to it at law or in equity, and shall be entitled to the appointment of a receiver and shall be entitled to bring an action to foreclose this Mortgage without any further notice to the Mortgagor.

39. The Property is improved or to be improved by a one or two family dwelling.

40. This Mortgage is made by the Condominium Board of 325 Fifth Avenue Condominium (the "Board") as agent for all Unit Owners, and no member of the Board shall have any personal liability hereunder except in his or her capacity as Unit Owner. The liability of any Unit Owner under this Mortgage shall be limited to the proportionate share of the total liability hereunder as the Common Interest of such Unit Owner shall bear to the aggregate Common Interests of all Unit Owners and to such Unit Owner's interest in his or her Unit and its appurtenant Common Interests, unless otherwise provided by law.

41. The printed portion of this Mortgage is modified and supplemented by this Rider. Wherever there is any conflict or inconsistency between this Rider and the printed portion of this Mortgage, the provisions of this Rider shall prevail.

EXHIBIT 5
DESCRIPTION OF PROPERTY AND BUILDING CONDITION

DESCRIPTION OF THE PROPERTY AND SPECIFICATIONS

325 Fifth Avenue
New York, New York

A. Location and Use of the Property:

1.	Address:	325 Fifth Avenue New York, New York
2.	Block/Lot Number:	Block 862, Lot 3, 4, 73 (Building Lot), former lot 8 Additionally, Lots 1, 9, and 11 comprise a merged zoning lot per the NYC Zoning Resolution thereby permitting the transfer of development rights.
3.	Zoning:	C5-2
4.	Permissible Uses:	Use Groups 1-6, 9-11 in C5-2 as per New York City Zoning Resolution, which permits residential and commercial uses. The Property and proposed uses will comply with all zoning and use requirements at closing.

B. Status of Construction:

1.	Status of Construction:	The Plans were approved by the Department of Buildings on December 8, 2004 and a Building Permit was issued on December 17, 2004. Foundations began being poured on March 9, 2005.
2.	Class of Construction:	Class 1C, conforming to all applicable regulations of the Building Code of the City of New York.
3.	Certificate of Occupancy:	A Certificate of Occupancy 39783, Dec. 26, 1991, was issued for the existing building on Lot 4. No Certificate of Occupancy was issued for Lot 3 and 73. These buildings will be demolished and replaced. A new temporary Certificate of Occupancy will be issued upon completion of construction of a portion of the building, which is anticipated on or about September 2006 subject to strikes, acts of God, or any other circumstances beyond the control of the Sponsor. As a prerequisite to the closing of title to any Residential Unit, a temporary or permanent certificate of occupancy for the Unit shall be in effect (unless Sponsor and the applicable Purchaser otherwise agree in writing).
4.	Local Law 58:	When complete, the building will be in compliance with Local Law 58 (Handicapped Access Law).

C. Site:

1. Size:

The size of the development property (Lot 3,4,73, former 8) (herein after known as "Property") is approximately 22,618 square feet.

2. Numbers and Use of the Building:

The Building will be the only structure on the property. The Building consists of a Tower, which will be used primarily for residential purposes. Two commercial units, Commercial Unit 1 (retail space) and Commercial Unit 2 (parking garage) will also be located within the structure.

There will be two residential entrances. The primary entrance is located on Fifth Avenue. The service entrance is located off the public plaza. A pedestrian walkway connects the service entrance to a private alleyway off of 32nd Street. The entrances to the retail spaces are to the north and south of the primary residential entrance. The entrance to the garage is located off of East 33rd Street.

3. Streets:

The property is abutted by Fifth Avenue, East 32nd Street and East 33rd Street. These streets are paved with asphalt, owned and maintained by the City of New York and are in fair condition.

The streets abutting the property are pitched to drain through catch basins. The catch basins are part of the New York City storm water drainage system. They are in usable condition.

4. Drives, Sidewalks and Ramps:

The sidewalk along the property is specified to be replaced with new granite sidewalk at the residential lobby entrance and new concrete sidewalks running the full width from the property line along each street and pitched for drainage to the curb. All curbs abutting the property are specified to be granite curbs to be reset or replaced in kind. Sidewalk lighting will be provided primarily by the three existing New York City light poles.

There will be a private alleyway off of East 32nd Street. The drive is specified to be asphalt. A ramp entered from East 33rd Street will serve the public garage. The ramp is specified to be concrete with concrete curbs. Storm water runoff from the drive and ramps will flow into area and/or trench drains which connect into the building storm drainage system.

Exterior site lighting is specified to consist of wall and/or pole mounted fixtures.

D. Utilities:

1. Electricity:

Electricity will be provided by Consolidated Edison Company ("Con Edison"), or other service provider. The electricity to the Residential Units and the Commercial Units shall be separately metered by Con Edison or other service provider. Each Residential Unit (including the electricity required to power the heat pump units, any supplemental electric heating elements or heaters located in same), and all electric convection cooking shall be individually metered by Con Edison for each unit's charges. The electricity consumed in the Commercial Units will be separately metered by Con Edison or other service provider and paid for by the Owners of such Units or their tenants. The electricity consumed in the common elements for commercial and residential shall be allotted to each as noted in the budget.

2. Gas:

Gas will be provided by Con Edison or other service provider. Any gas consumed in the Commercial Units will be separately metered and paid for by the Owner of such Unit or their tenants (including all gas used for cooking or heating purposes). The cost of the gas consumed in the balance of the Building (including all gas used for cooking or heating purposes in the Residential Units) will be borne by the Residential Unit Owners as a Common Expense and be allocated to each as noted in the budget.

3. Steam:

Steam service will be provided by Con Edison or other service provider. Any steam consumed in the Commercial Units will be separately sub-metered and the charges for such steam will be paid for by the owners of such units or their tenants. The cost of steam consumed in the rest of building will be borne by the Residential Unit Owners as a Common Expense and be allotted to each as noted in the budget.

4. Condenser Water:

Condenser water will be provided by the building cooling tower. Any condenser water consumed in the Commercial Units will be charged based upon the tonnage of the equipment installed in the units and the charges for such condenser water will be paid for by the owners of such units or their tenants The cost of condenser water consumed in the rest of the building will be borne by the Residential Unit Owners as a Common Expense and be allotted to each as noted in the budget.

5. Water and Sewer:

Water and sewer service will be provided by the City of New York. Any water consumed in the Commercial Units will be separately sub-metered and the charges for such water and the corresponding sewer rents will be paid for by the owners of such units or their tenants. The charges for water and sewer services provided to the balance of the building (including the Residential Units, and in the Common Elements of the building) will be levied on the basis of Master City Meter and borne by the Residential Unit Owners as a common expense.

6. Telephone:

"Local" telephone service will be provided by Verizon and/or another service provider. Every Unit Owner will be required to pay their associated telephone charges and initial charges for activating individual outlets in the unit., except for the kitchen outlet will be activated for intercom service only. Similarly, the charges with respect to the telephones in the Commercial Units will be separately paid for by those Unit Owners. The telephone charges with respect to the public areas of the Building (such as the concierge's desk, maintenance offices and shops, etc.) will be borne by all Residential Unit Owners as a Common Expense.

7. Cable Television/Satellite:

Cable television service is specified to be provided by Time Warner Cable TV of New York and/or another service provider. Satellite TV service is anticipated to be available to Unit Owners. Every Residential Unit Owner who desires to obtain such service will be required to pay the cable/satellite company for activating the wiring in their Unit. Thereafter, the Unit Owner will be required to pay a monthly service charge to such service provider, which will vary depending upon the services subscribed to by the Unit Owner.

8. Internet Service:

Internet service is specified to be provided via the telephone or cable service providers. Every Residential Unit Owner who desires to obtain such service will be required to pay the telephone or cable company for activating the wiring in their Unit. Thereafter, the Unit Owner will be required to pay a monthly service charge to such service provider, which will vary depending upon the services subscribed to by the Unit Owner.

E. Sub-Soil Conditions:

The foundations are specified to be spread footings supported on Manhattan rock with 20 and/or 40 tons/ft^2 capacity. Ground water level appears to be located between 15.7 feet and 16.3 feet below grade. An underground drainage system (4"-6" diameter drain pipe) is placed below sub-cellar level directing the runoff to a sump pit.

Foundation perimeter walls consist of new reinforced concrete walls supported on rock. A new Con Edison vault to be located at East 33rd Street will be added.

F. Landscaping:

1. Planting Areas:

Planting areas are located at the public plaza. Planting and all other elements in the public plaza will comply with the New York City Zoning Resolution. Raised and flush planters are located throughout the plaza. Type of plantings is specified to be a combination of shrubs, ground covers, and perennials.

Bamboo specified: Yellow Grove Bamboo

Shrubs specified: Dwarf Boxwood, Nikko Blue Hydrangea, Japanese Holly, The Fairy Rose, Yews, English Laurel, Rhododendron, Mountain Fire JP Andromeda, Dwarf Japanese

Barberry.

Ground cover specified: Majestic Lilyturf, Japanese Pachysandra.

Perennials specified: Russian Sage, May Night Sage, Elegan Plantain Lily.

2. Trees: Trees are located in the public plaza and on the sidewalk. Trees in the public plaza will comply with the New York City Zoning Resolution.

Trees specified: Whitespire Birch, English Oak, Japanese Maple, Honey Locust.

3. Fencing/ Gates: A movable, folding gate with metal frame and vertical and horizontal bars is specified along the plaza frontage on 33rd Street.

4. Garden Walls: Precast and/or poured in place concrete walls are specified for planter walls, backrests for cantilever benches, the low wall separating the plaza from the garage ramp, and the plaza perimeter/art walls at the adjacent building.

5. Seating: Fixed wooden benches, fixed and movable metal café tables and chairs, wood and metal picnic tables and benches are specified.

6. Lighting: The plaza is specified to be lit from the building with wall mounted fixtures. Within the plaza there is specified uplighting in the planting, recessed wall lights in the walls and fluorescent lights in the pavement, coping of the low wall and light panel at the south end of plaza.

7. Drainage: Planter drains, paving surface drains, and trench drains are specified for the drainage of the public plaza, private outdoor patio, and club floor balcony.

8. Paving Material: Concrete pavers and/ or cobble stone pavers are specified for the paving material of the public plaza.

G. Building Height:

1. Total Height: The building is specified to be 518' – 11" from grade at the property line at the Residential Lobby to top of uppermost bulkhead roof.

2. Sub-cellar: There will be one sub-cellar (herein known as Service Level 2) – height varies.

3. Cellar: There will be one cellar (herein known as Service Level 1) – height varies.

4. Number of Residential Floors: The building will consist of a total of 44 construction levels including two (2) below grade levels (cellar and subcellar) and 42 above grade levels (consisting of: a lobby floor, a mezzanine, a club (amenities) floor, and thirty-nine (39) residential floors (numbered 8-PH47) immediately above the club floor. See G.5. immediately below with respect to floor numbering.

5. Floor Numbering: The residential floors are numbered Floors 8 - PH47 because (a) many floors in the Building have floor to ceiling heights which are greater than those of typical residential buildings; and (b) there is no 13th floor, the 41st floor construction level is referred to as Floor PH47 based upon such floor of the Building being approximately 459'-3" above street level; and the 47th floor of a typical residential condo building having 9'-8" floor to floor heights (and no 13th floor) being approximately 444'-8" above street level. All other occupied floors of the Building (other than the Ground Floor, Mezzanine, and Club) were designated in descending order through Floor 8 (which corresponds to the 4th floor construction level). As a result, the elevation of such floors may not correspond to similarly designated floors in a typical residential building and Sponsor makes no representation whatsoever with respect thereto. Floor numbering in the plans for the Building filed with the New York City Department of Buildings includes references to construction levels which are not based on the actual height of the floor and therefore differ in that respect from the Floor designations of the Buildings as set forth above.

6. Equipment Rooms: At Floors service level 2, service level 1, mezzanine, and main roof.

7. Parapet/Railing Assemblies: The parapet and/or railing assemblies are specified to be extend a minimum of 3'-6" above the roofs

H. Structural System:

1. Structural System: The structure is specified to be cast in place reinforced flat slab system supported by interior and perimeter reinforced concrete columns and reinforced concrete shear walls. The lateral system is specified to be shear walls and perimeter frames.

2. Exterior Walls:

Custom aluminum and glass window wall system. Exterior windows are specified to be inswing casement windows and shall be painted, with 1" insulating glass units consisting of two ¼" sheets of heat strengthened or tempered glass separated by a ½" air space.

Local Law 10 report will be due five years after the first Temporary Certificate of Occupancy.

Aluminum windows, glass and related materials are specified to be guaranteed for five-year warranty for materials and workmanship, ten-year manufacturer's special material warranty for coated glass products, ten-year manufacturer's special warranty on insulated glass products, one-year labor warranty for glass breakage, ten-year labor and material warranty on aluminum finish, and twenty-year labor and material warranty on sealants.

3. Lot Line Windows:

Lot line windows are located on the north property line in Unit C on floors 14 – 25 and Unit B on floors 26 – 42.

4. Parapets and Coping:

Roof parapet construction is a continuation of the exterior curtain wall and/or metal and glass railings. Coping shall be painted aluminum to match the curtain wall.

5. Chimneys and Caps:

The building will have one compactor or rubbish chute, which will terminate at a louver. The chute is specified to be enclosed with concrete and/or concrete block and/or gypsum wallboard with 1 ½ hour rated doors at every opening. Bathroom, kitchen and laundry exhaust vents are specified to be provided with central fan systems exhausting to the exterior.

One gas fireplace each located in the Club floor lounge and apartment 44A, 45A, PH46A, PH46B, PH46C are specified. The fireplace chimneys will be constructed to comply with the New York City Building Code. All chimneys and flues are specified to terminate in accordance with the New York City Building Code. All fireplaces located in the Residential Units are specified for gas burning.

6. Balconies and Terraces:

Some apartments will have concrete balconies with specified metal and/or glass railings. Apartments with roof setbacks will have terraces with specified concrete pavers and concrete/metal and/or glass parapets. The club floor will have access to a balcony of the elevator lobby. Balconies and terraces will be accessed through aluminum and glass doors as part of the window wall system. Exterior electrical outlets are specified to be provided at every balcony. Exterior electrical outlets, exterior water hydrants, and lights mounted on the parapet are specified to be provided at every terrace.

7. Exterior Entrances:

The primary residential entrance is specified to have swing doors and revolving doors with metal trim and tempered glass with a canopy over the entrance made of glass and structural steel finished in stainless steel and with affixed lighting. Access to the public parking garage from 33rd Street will be via a ramp. The service entrance is specified to be hollow metal doors with hollow metal frames.

Mailboxes will be located in the mailroom off the primary residential entrance.

8. Service Doors:

All service doors are specified to be 1.5-hour fireproof, self-closing hollow metal doors with metal frames.

9. Roof and Roof Structures:

The roofing system is specified to be hot mopped base ply and torch applied finish ply, SBS modified bitumen-roofing assembly installed over rigid insulation and protection board, installed below concrete pavers or stone ballast.

Flashing is specified to be as follows: base flashing, stainless steel and/or aluminum counter-flashing, stainless steel; and or aluminum and drain-flashing, lead.

Roof drains will be provided, which will discharge through internal leaders into the building storm systems.

Stair, elevator and mechanical equipment bulkheads are specified to be constructed of brick cavity wall over concrete or concrete block.

The roof is specified to be warranted by the roofing manufacturer for a period of twenty years.

An operable acrylic skylight is specified to be located on the terrace of apt. PH46A.

The roof bulkhead is specified to be brick and block cavity wall with metal louvers and metal curved structure enclosing the roof tank.

10. Fire Escapes:

None.

11. Yards and Courts:

A public plaza will be located along East 33rd Street. This public plaza shall be designed and maintained in accordance with the rules governing primary and residual plazas as stated in the NYC Zoning Resolution.

A private outdoor patio will be accessible from the elevator lobby on the ground floor level. The patio is available only to the residential unit owners and is specified to be separated from the public plaza by an aluminum mesh fence. The paving material is specified to be precast concrete pavers.

12. Interior Stairs:

A pair of scissor stairs (separately enclosed) service all the floors and are specified to be constructed of reinforced concrete. In addition, a third stair will service the club floor, 1st mezzanine, and the ground floor. The stair enclosure is specified to be constructed of reinforced concrete and/or concrete block and/or gypsum wall board and will be painted. Steel pipe hand rails are specified to be provided.

13. Interior Doors and Frames:

The entrance door and frame to each Residential Unit is specified to be painted flush-panel hollow metal 1 ¾ thick F.P.S.C, 1 ½ hour rated, STC 35 db, with stone saddles. Apartment interior swing doors are specified to be solid core painted wood in hollow metal frames with saddles as per the door schedule. Doors at most clothes closets other than walk-in closets are specified to be bifolds.

All public corridor doors and frames are specified to be metal doors. Stair hall doors and frames are specified to be painted flush-panel hollow metal, 1 ¾" thick, F.P.S.C. 1 ½ hour rated with stone or metal saddles.

All other service doors and frames is specified to be painted flush-panel hollow metal, 1 ¾" thick, F.P.S.C. 1 ½ hour rated with saddles, as appropriate.

14. Elevators:

Three passenger elevators (PE1, PE2, and PE3) will stop at floors: service level 1, ground floor, club floor, and 8-PH47. One service elevator (SE1) will stop at floors service level 2, service level 1, ground floor, 1st mezzanine, club floor, and 8-PH47. The other service elevator (SE2) will stop at service level 1 and ground floor. The three passenger cars are specified to be gearless traction with 2,000 pound capacity and travel at 700 feet per minute. The service car (SE1) is specified to be gearless traction with 4,000 pound capacity and travel at 700 feet per minute. The refuse car (SE2) is specified to be standard holesless hydraulic type with 2,100 pound capacity and travel at 100 feet per minute. The passenger elevator doors are specified to be 3'-0" wide, single speed side opening type. The service car (SE1) is specified to have 3'-6" wide single speed side opening doors. The service car (SE2) is specified to have 3'-0" wide single-speed side opening doors. The elevator machine room for PE1, PE2, PE 3 and SE1 will be located at the elevator machine room level in the roof bulkhead. Machine room for SE2 will be located on service level 1.

The make and model number of the elevators is specified to be either Otis Elevator Company/Custom, Thyssen Krupp Elevator Company, Fujitec Elevator Company/Custom, Kone Elevator Company or equal.

15. Elevator Cabs:

The elevator cabs for PE1, PE2, and PE3 are specified to be acid etched mirror on the walls, stone floor and base, and stainless steel front. The elevator cabs for SE1 and SE2 are specified to be diamond plate.

I. Auxiliary Features:

1. Laundry Room:

There will be one ADA accessible laundry room, located at the service level 1 serving the Residential Units. The laundry room is specified to contain one electric, coin or card operated washer and one electric-fired, coin or card operated dryer. The dryer will be vented by an exhaust fan to the exterior. Utility charges for the laundry room will be allocated to the residential unit as noted in the budget.

All Residential Units are specified to have their own clothes electric washer and dryer with exhaust ventilation to the exterior, except Apt. D and E on the 8th floor and Apt. E and F on the 9th-25th floor, which is specified to have ventless washer and dryers.

2. Refuse Disposal:

A refuse chute will be located off the public corridor on each residential floor. The refuse chute will lead to a refuse compactor located at Service Level 1. The specified compactor when installed will receive all necessary government approvals.

3. Amenities Floor:

There will be an amenities area in the Building located on Club Floor with a lounge, business center, screening room, children's playroom, fitness center with exercise equipment, aerobics classroom, locker rooms, treatment rooms, swimming pool and sauna.

The lounge is specified to have a hardwood floor and painted walls. Furniture specified includes seating groups of sofas, tables, chairs, and pool table. Lighting specified includes recessed and pendant light fixtures. A kitchen is located in the lounge with wood cabinets and appliances specified to include oven, cooktop, microwave, refrigerator, dishwasher, and sink.

The business center is specified to have carpet and wall covering. Furniture specified includes conference table and conference chairs. Lighting specified includes pendant and cove lighting.

The screening room is specified to have carpet and wall covering. Furniture and equipment specified include seating, screen and projector. Lighting specified includes recessed ceiling lights.

The children's playroom is specified to have a rubber floor and wall covering. Lighting fixtures specified include pendant fixtures.

The fitness center is specified to have a rubber floor, wall covering and mirrored walls. Fitness equipment specified includes treadmills, stationary bikes, benches, and weight

training equipment. Lighting fixtures specified include recessed ceiling lights.

The aerobics classroom is specified to have resilient wood floor, wall covering and mirrored and glass walls. Lighting fixtures specified include recessed ceiling lights.

Locker rooms are specified to have ceramic tile floors and ceramic tile and painted walls in the wet areas, and carpet and wall covering in the dry areas. Plumbing fixtures specified include sinks mounted in stone countertops, toilets, urinals, showers, and steam rooms. Furniture specified includes chairs, counters, and lockers.

Treatment rooms are specified to have carpet and wall covering and treatment table.

The swimming pool is specified to be 12'-0" wide by 47'-0" long by 3'-6" to 4'-6" deep and constructed of stainless steel. The pool is supported by steel dunnage and concrete beams from below. The pool is designated to have bathing capacity of 10 people. The pool deck is specified to be ceramic tile and the walls are specified to be ceramic tile and frosted mirror.

The sauna is specified to be precut wood sauna with wood and glass door and sauna heater.

The amenities area will be for residential occupants only. Charges for the operating costs of the amenities will be allocated to each residential unit as noted in the budget.

4. Bicycle Room: There will be a Bicycle Storage Room in the Building located on the ground floor.

5. Storage Units: There will be a total of 105 Storage Units located on Service Level 2 varying in size from 25 square feet to 48 square feet. The storage units are specified to have metal grating walls, ceiling and door, and concrete floors. No utilities will be provided to the storage units.

Storage Units are not allocated to particular Residential Units. Storage Units are being offered for sale under the plan.

J. Plumbing and Drainage:

1. Water and Supply:

A 6-inch domestic water service with a double detector check backflow preventer and water meter is specified to be provided from the public water main to two (2) House Pumps each rate at 199 GPM. Pumps will supply a Roof Tank that will serve both Domestic Water Supply and Fire Reserve. The Building will be supplied by three zones of cold water and hot water, and hot water circulation. Hot water is specified to be provided via steam to hot water heat exchangers.

The piping system is specified to consist of Type L copper tubing with 95-5 tin-antimony soldered joints. All mains and risers are specified to be insulated.

2. Fire Protection System:

a. Fire Water Services:

One 6-inch water service from 5th Avenue with 6-inch double detector check valve to supply 750 GPM Manual Fire Pump and 500 GPM Automatic Fire Pump will be located at service level 2.

b. Standpipes:

The fire standpipe system is specified to consist of one 6-inch fire standpipe riser. The fire standpipe serves the residential floors and will be located in the stairway. A three way roof manifold will be provided. The Roof Tank with a fire reserve capacity of 10,000 gallons, Manual Fire Pump, and Automatic Fire Pump are specified to supply the fire standpipe.

A 2 ½ inch hose valve with cap and chain is specified to be located at fire standpipe at each floor above the ground floor. Fire hose racks are specified to be provided at the Ground Floor and all levels below grade.

Piping is specified to Schedule 10 or 40 steels piping with rolled or cut grooved or threaded joints.

c. Hose Rack, Hoses and Nozzles:

A central hose station and locked key box is specified to be located at the ground floor.

A 2-½ inch hose valve with cap and chain is specified to be located at fire standpipe at each floor above the Ground Floor and Service Level 1. 2-½ inch hose valves and hose racks feed the garage.

d. Sprinkler System:

Sprinkler water is supplied from the Fire Reserve in the specified Wood Roof Tank via the 6" standpipe. Manual Fire Pump and Automatic Fire Pump.

Automatic wet sprinklers is specified be supplied from combined FSP/sprinkler riser for entire Building.

Piping specified to be Schedule 10 or 40 steel piping with grooved or threaded joints.

Automatic sprinkler heads are specified to be pendant fully

concealed with cover plate. Reliable Model "G4": upright and standard sprinkler head. Reliable Model "G": sidewall sprinkler head. Reliable Model "SW-56" quick response rated at 135°F: extended coverage sprinkler head. Reliable Model "SWC" quick response rated at 135°F: or approved equal.

e. Siamese Connections: Two 6"x3"x3" Siamese combined fire sprinkler and standpipe connections is specified to be provided. one at each street (5th Avenue and 33rd Street).

3. Water Pressure and How Maintained: The specified 23,000 Gallon Wood Roof Tank and specified Water Pressure Booster System to provide a minimum of 30 psi at all fixtures will maintain domestic water pressure.

4. Sanitary Sewage System:

a. Sewage Piping: Sanitary sewage is specified to be conveyed by gravity via vented soil and waste branches, stacks and house drains to combined house sewer.

Drainage and vent piping is specified to be no-hub cast iron piping with stainless steel couplings and rubber gaskets.

b. Sump Pumps: One specified sump pump rated at 100 GPM @ 30 foot head pump.

c. Sewage Disposal: Specified (1) 8 inch and (2) 10 inch combined sewers connected to street municipal sewer.

5. Permits required: The plumbing and sprinkler contractors will obtain all permits.

6. Storm Drainage System: Specified gravity roof drainage from roof drains and terrace drains to 10 inch combined house sewers and 8" Storm Sewer connected to street municipal sewers in 5th Avenue and 33rd Street.

a. Catch Basins: None.

b. Roof and Terrace Drains: Roof and terrace drains are specified to be located on the roof and terraces.

c. Piping: Specified cast iron piping with hub and spigot fittings and push-on joints.

d. Sump Pumps: Sub-Soil Drainage and Area Drainage.

K. Heating:

1. Domestic Hot Water Heating: Domestic hot water is specified to be provided by Steam to Hot Water heat exchangers located at 1st Mezzanine Level.

2. Space Heating:

Con Edison Steam is specified to provide space heating through pressure reducing valves. Steam to Hot Water Exchangers is specified to be provided for residential use. Steam is specified to be distributed to the various areas by two pipe distribution systems. Heat is specified to be provided to dwelling units through the injection of heated hot water to the heat pump circulating loop. Heat capacities of heat pumps for dwelling units are based 70 deg water and 70 deg ENT air temperatures. The system as specified is designed to meet the New York City and State Energy Code.

Water source heat pump units are specified to heat lobby and entrances to the Building from the street.

Common Elements above the ground floor such as the tops of stairwells and exits to the roof are specified to be heated with electric resistance type heaters.

Public stair bulkhead and other miscellaneous common areas requiring heat during the winter season are specified to be heated with electric resistance type heaters.

Commercial Units are specified to be provided with heat for heat loss due to transmission through the wall and glazing by steam unit heaters or perimeter steam radiation.

3. Con Edison Steam:

Con Edison, a regulated Utility Company, is specified to provide steam.

4. Piping, Insulating Pumps:

Specified schedule 40 steels with standard weight fittings. Hot water piping is specified to be insulated.

There are specified to be two (2) hot water pumps for heating water to be used on water source heat pump system. (One is standby)

5. Fireplaces:

Fireplaces are provided in Apartments 43A, 45A, PH46A, PH46B, PH46C. They are specified to be Superior Model #DMPD3540 Direct-Vent prefabricated gas fireplace by Lennox Hearth Products or approved equal, tested and approved by all New York City agencies having jurisdiction.

The fireplace located in the Lounge of the Club Floor is specified to be a custom masonry firebox with a Hargrove gas burner tested and approved by all New York City agencies having jurisdiction.

L. Gas Supply

1. Type: The Building is specified to be provided with gas service as called for on the drawings for cooking ranges and Roof Top HVAC Units. Connections for gas service to commercial tenants of Commercial Unit will not be provided. (Service connection to be plugged outlet)

2. Meters: Meters when provided for commercial tenants are specified to be provided for direct metering to the utility company.

3. Piping Material: Specified 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. High-pressure piping upstream of pressure regulators to be welded and radiologically examined.

M. Air Conditioning

1. Type of System: Specified water-cooled packaged units and water source heat pump units.

2. Cooling Tower and Pumps: There is specified be one (1) cooling tower on the roof and plate frame exchanger in Service Level 2 Mechanical Room.

Two (2) base mounted, centrifugal, horizontal split case pumps is specified to be provided for heat pump water circulation (one will be standby).

The cooling tower plant and water circulating pumps sizing were based on the peak "bulk" cooling load for the residential and retail areas of the Building, calculated in accordance with ASHRAE Guide recommendations.

Cooling Tower specified is EVAPCO AT-212-428.

3. Individual units: Individual units as specified are designed to meet all requirements of NY State Energy Code. Cooling capacities are based on ASHRAE and ARI conditions of 89 degree F DB/73 degree WB outside, 78 degree F DB/63 degree F WB inside air.

Separate package water-cooled HVAC units or water source heat pumps are specified be provided for main entrance lobby and miscellaneous areas such as the elevator machine rooms, telephone rooms, etc.

Individual Residential units are specified to be provided with water source, electrically driven heat pump units of capacities shown on plans. Numbers of units of each type are shown on plans; EER ratings meet requirements of State Energy Code dated 2002. Heat pump units were sized for the estimated individual peak cooling-heating requirements of each Residential Unit. Thermostat located in the individual heat pump units is specified to control corresponding heating-cooling unit. Heat pump units are operated year round for heating and cooling. Ventilation of the individual units is by open window ventilation.

Packaged, gas-fired, air-cooled, rooftop air conditioning units are specified to provide cooling and heating of corridor ventilation air.

Individual residential unit heat pumps specified are Trane GETA015, GETA018, GET024 LOW, GET036 LOW, GECD-012, GEDC-015, GECD-018, GEH-009, GEH-012, GEH-018, GEH-024, GEH-030, GEH-48, GEH-060.

Public area heat pumps specified are Trane GEV-012, GEV-018, GEV-030, GEV-048, GEV-072, GEV-090, GEV-150, DRY-O-TRON DA5-030.

Packaged AC units specified are Trane YCH 120C, YCH 240B, YHC 060A1, YHC 036A1.

N. Ventilation

1. Kitchens: Interior residential kitchens are specified to be ventilated with an exhaust ventilation system exhausting 2 cubic feet of air per minute per square foot from each kitchen.

2. Bathrooms: Interior residential bathrooms are specified to be ventilated with an exhaust ventilation system exhausting 50 cubic feet of air per minute from each bathroom.

3. Non-Residential Bathrooms: Interior non-residential bathrooms are specified to be ventilated with an exhaust ventilation system exhausting 50 cubic feet of air per minute for each water closet and urinal.

4. Locker Rooms: Locker rooms are specified to be ventilated with exhaust ventilation capable of exhausting air at a rate of four air changes per hour.

5. Public Corridors: Interior corridors are specified to be provided with heated and conditioned supply air in accordance with code requirements.

6. Laundry Room: Individual washer/dryers are specified to be provided in each Residential Unit. The dryers are specified to be electric vented type except Apt. D and E on the 8th floor and Apt. E and F on the 9th – 25th floor are specified to be electric ventless.

7. Gas Meter Room: Gas meter room is specified to be vented to the outside.

O. Electrical System

1. Service from main switchgear:

Electrical service is specified to be provided into Service Level 2 electric switchboard room. Service from Con Edison shall be sized as per Building Electrical Load in accordance with National Electrical Code Service will be rated 120/208 Volt, 3-Phase, 4-Wire and distributed to distribution panels and Residential Unit distribution centers.

2. Service to individual Units:

From Residential Unit distribution center individual feeders are specified to run to each Residential Unit. Residential Unit feeders vary in size as required by load and voltage drop.

3. Compartment Switchgear:

The Residential Unit distribution centers are specified to be provided on every third floor.

4. Unit Service:

The equipment is specified to be rated to comply with NEC-2002 and takes into account all equipment provided in Residential Units such as washing machines, clothes dryers, dishwashers, microwaves, etc.

5. Adequacy:

a. Service:

Capacity provided for each Residential Unit is specified to be in accordance with Code requirements in various sizes from 100 to 125 Ampere @120/208V, 1 @ 3W. Average number of circuits per Residential Unit panel boards will be provided for an average total of 16 circuits. Service will be adequate to meet normal apartment appliance load and lighting. Design amphere for each of 2 switchboards for the building is 6,000 amps @ 120/208V 3 phase 4 wire.

b. Lighting and Fixtures:

Switched lighting fixtures are specified to be provided in bathrooms, foyers and kitchens. Fixtures are specified to be incandescent or fluorescent type in foyers, baths and kitchens.

c. Convenience Outlets Appliance Outlets:

Switched receptacles are specified to be provided in all rooms to meet National Electrical Code. Ground fault receptacles are specified to be provided in all bathrooms, kitchens, and at Residential Unit terraces. Appliance receptacles are specified to be provided in kitchens and dining rooms. Convenience receptacles are specified to be provided to meet the requirements of the National Electrical Code 2002.

P. Telephone, Intercom and Security Systems:

Telephone services will enter the Building from 33rd Street and be fed to a telephone room located in the Service Level 2. It is specified to be distributed throughout the Building through risers and sleeves. Each Residential Unit is specified to receive telephone service to a closet within the Unit.

Each Residential Unit is specified to be provided with an intercom linked to concierge's desk.

The Building is specified to be provided with intercom system

linking service entry areas with the concierge's desk.

Closed circuit television cameras are specified to monitor selected entrances with viewing monitors at the concierge's desk.

The cameras are specified to be designed to cover the immediate area within view of the cameras and will not necessarily cover all of the area involved.

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

The Building will not be equipped with a master television antenna system.

All apartments are specified to be provided with combination hard-wired smoke and carbon monoxide detectors. Building is specified to be provided with Fire Alarm and Communication System meeting requirements by NYC Building Code.

Q. Public and Area Lighting:

Lighting is specified to be furnished to the public areas of the Building through fluorescent and/or incandescent fixtures.

R. Garage:

There will be an accessory parking garage with an as-of-right 50 parking space capacity in the building located primarily on service level 1 and service level 2. The access to the garage will be from the garage entrance ramp off of East 33rd Street. The structure is specified to be constructed of new reinforced concrete and concrete block and will have fluorescent lighting, mechanical ventilation, and a wet and dry sprinkler system throughout with firehose stations. An electric roll up door is specified for the garage entrance.

The garage is specified to be ventilated by separate exhaust system utilizing multiple fresh air intakes and exhausting to the exterior at the mezzanine level. Garage exhaust shall comply with NYC Building Code.

Parking is not allocated, but it is open at market rates to be determined by operator to residents within the commercial unit. The parking spaces are not a limited common element of the Residential Section.

S. Recreation Facilities:

Outdoor recreation space will be provided in the private patio and public plaza as described in Articles F and H of this report. Indoor recreation space will be provided in the amenities floor as described in Article I of this report.

T. Permits and Certificate:

The proposed building will be constructed under a new building application.

U. Unit Information:

1. Residential Unit Information:

There will be 250 Residential Units.

The height of the Residential Units, measured from the top of the floor slab to the bottom of the ceiling slab is generally 10'-1" at Floors 8 through 41 and 11'-4" at Floors 42 through PH47. Ceiling heights in the kitchen, powder rooms, bathrooms, and foyers are specified to be approximately 9'-0" to 10'-0" but may vary. Ceiling heights in the public corridors are specified to be approximately 8'-6" to 10'-0" but may vary. At beam drops and/or where there are concealed mechanical pipes or ducts or dropped ceilings, heights may be lower than the above stated heights and may also vary slightly from room to room.

The types of Residential Units, together with the type and number of rooms in each of the same, are as follows:

1 BEDROOM/1 BATHROOM		
1 Bedroom, Living Room, Kitchen and 1 Bathroom	Unit D Unit E Unit B Unit E Unit F Unit G	8th Floor 8th Floor 9th – 25th Floors 9th – 25th Floors 9th – 25th Floors 9th – 25th Floors
1 BEDROOM/1.5 BATHROOMS		
1 Bedroom, Living Room, Kitchen and 1.5 Bathrooms	Unit C Unit D Unit E	8th Floor 9th – 25th Floors 26th – 42nd Floors
2 BEDROOMS/2 BATHROOMS		
2 Bedrooms, Living Room, Kitchen, and 2 Bathrooms	Unit A Unit C Unit D Unit C Unit D Unit D	9-25th Floors 26th-42nd Floors 26th – 42nd Floors 43rd, 44th, 45th Floors 44th Floor 45th Floor
2 BEDROOM/2 BATHROOMS		
2 Bedrooms, Living Room, Dining Room, Kitchen, and 2 Bathrooms	Unit C Unit H Unit B Unit F	9th – 25th Floors 9th – 25th Floors 26th – 42nd Floors 26th – 42nd Floors
2 BEDROOMS/2.5 BATHROOMS		
2 Bedrooms, Living Room, Dining Room, Kitchen, and 2.5 Bathrooms	Unit B	8th Floor
2 BEDROOMS/2.5 BATHROOMS		
2 Bedrooms, Living Room, Kitchen, and 2.5 Bathrooms	Unit B	43rd, 44th, 45thFloor

3 BEDROOMS/3 BATHROOMS		
3 Bedrooms, Living Room, Kitchen and 3 Bathrooms	Unit A Unit F Unit A Unit D	8th Floor 8th Floor 26th – 42nd Floors 43rd Floor
3 BEDROOMS/3.5 BATHROOMS		
3 Bedrooms, Living Room, Dining Room, Kitchen and 3.5 Bathrooms	Unit A Unit A Unit C	43rd Floor PH46 PH46
3 BEDROOMS/3.5 BATHROOMS		
3 Bedrooms, Living Room, Kitchen and 3.5 Bathrooms	Unit A Unit B	45th Floor PH46

Fixtures and Appliances: Subject to Sponsor's right to make substitutions as set forth in the offering plan, the Residential Units will be equipped with the following fixtures and appliances:

ITEM	DESCRIPTION	UNITS
Dishwasher	Bosch 24" SHX33A05	1-3 Bedrooms
Dishwasher	Viking 24" DFUD042PSS	43A, 45A, PH46A, PH46B, PH46C
Gas Cooktop	Bosch 30" NGP735	1-3 Bedrooms
Gas Cooktop	Bosch 36" NGP935	2-3 Bedrooms
Gas Rangetop	Viking 36" VGRT3626B	43A, 45A, PH46A, PH46B, PH46C
Convection Wall Oven	Bosch 30" HBL745	1-3 Bedrooms
Double Convection Wall Oven	Viking 30" VED0207	43A, 45A, PH46A, PH46B, PH46C
Microwave/Vent Hood	Dacor 30" PC0R30	1-3 Bedrooms
Wine Cooler	Viking 24" VUWC141	43A, 45A, PH46A, PH46B, PH46C
Wine Cooler	Marvel 24" 61WC	43B, 43C, 44B, 44C, 45B, 45C
Wine Cooler	Marvel 15" 30WCBS	8A, 8B, 8F
Vent Hood	Viking 36" VCWH3648	43A, 45A, PH46A, PH46B, PH46C
Refrigerator	Sub-Zero 30" 611F/FP6115	1-3 Bedrooms
Refrigerator	Sub-Zero 36" 650F/FP6505	1-3 Bedrooms
Refrigerator	Sub-Zero 42" 642F/FP6425	3 Bedrooms

Refrigerator	Sub-Zero 48" 632F/FP6325	3 Bedrooms
Kitchen Sink	Kindred Stainless Steel single bowl undermount	1-3 Bedrooms
Kitchen Sink Faucet	Watermark single control pull out	1-3 Bedrooms
Stacked Washer/Dryer Vented	GE WSM2700DWW	1-3 Bedrooms
Stacked Washer/Dryer Ventless	Bosch 'Axxis' WFR2460 & WTL5410	8-25E, 8-25F
Water Closets	Kohler 'San Raphael' K-3466	All Units (Sponsor to supply ADA compliant water closet as needed)
Lavatories	Kohler 'Ladena' K-2214	Master Bathrooms
Lavatories	Kohler 'Caxton' K-2210	Secondary Bathrooms
Lavatories	ToTo "Pacifica" Pedestal	Powder Room
Bathtubs	Bain Ultra, Pro-Meridian 60 Spatub	Master Bathrooms @ 43A, PH46A, PH46C
Bathtubs	Kohler 'Mendota'	Secondary Bathrooms
Bathtubs	Bain Ultra Pro-Meridian 55, soaker only	Master Bathrooms
Bathtubs	Bain Ultra Pro-Meridian 60, soaker only	Master Bathrooms

Finish Schedule: The following is a finish schedule for a typical Residential Unit:

Location	Floor	Base	Walls	Ceiling	Remarks
Foyer, Corridors	Engineered Wood Strip Flooring	Painted wood	5/8" sheetrock-painted	Hung 5/8" sheetrock-painted	
Living Room, Dining Room, Closets, All other rooms and halls in Apartment	Engineered Wood Strip Flooring	Painted wood	5/8" sheetrock-painted	Conc. w/covercoat painted and/or hung 5/8" sheetrock-painted	
Bedroom	Engineered Wood Strip Flooring	Painted wood	5/8" sheetrock-painted	Conc. w/ covercoat painted and/or hung 5/8" sheetrock-painted	
Master Bathroom	Porcelain tile	Porcela in tile	5/8" WR sheetrock and/or	Hung 5/8" WR sheetrock-painted	Full height porcelain tile at

			tile backer board-painted		showers: stone countertops
Secondary Bathrooms	Tile	Tile	5/8" WR sheetrock and/or tile backer board-painted	Hung 5/8" WR sheetrock-painted	Full height tile at showers and tub surround: stone countertops
Powder Rooms	Porcelain tile	Porcela in tile	5/8" WR sheetrock-painted	Hung 5/8" WR sheetrock-painted	
Kitchen	Porcelain tile	Wood	5/8" WR sheetrock-painted	Hung 5/8" sheetrock-painted	Stone countertops tile backsplash
Laundry Closet	Ceramic tile	Cerami c tile	5/8" sheetrock-painted	Hung 5/8" sheetrock-painted	

Finish Schedule: The following is a finish schedule for common areas:

Location	Floor	Base	Walls	Ceiling	Remarks
Public halls on apartment floors	Carpet	Painted wood	5/8" sheetrock-wall covering	Hung 5/8" sheetrock-painted	
Service Corridors on apartment floors	Quarry Tile	Quarry Tile	5/8" sheetrock - painted	Conc. w/ covercoat painted	
Ground floor lobby	Stone	Stone	5/8" sheetrock-wall covering; stone; metal	Hung 5/8" sheetrock-painted; wood	
Ground Floor Service Corridor	Vinyl Tile	Vinyl	Structural glazed tile	Hung 5/8" sheetrock-painted	

Abbreviations

A/C	AIR CONDITIONING	LOC.	LOCATION
APT(S)	APARTMENT(S)	MECH'L	MECHANICAL
BKFT'S	BREAKFAST ROOM	PLN(S)	PLAN(S)
DO.	DITTO	RM(S)	ROOM(S)
ELEC'L	ELECTRICAL	RESIST.	RESISTANT
EQUIP.	EQUIPMENT	TBD	TO BE DETERMINED
FL(S)	FLOOR(S)	V.C.T.	VINYL COMPOSITE TILE

F.C.	FIRE CODE	WR	WATER RESISTANT

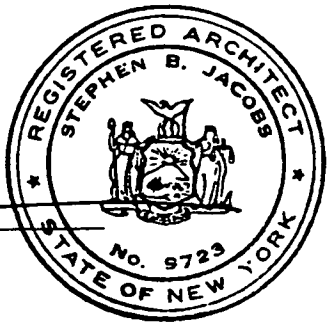
V. Safety and Warning Devices:

Smoke and carbon monoxide detectors are specified to be provided outside the bedrooms in Residential Units, as required by law. Area smoke detectors are specified to be installed in all electrical and mechanical equipment rooms as required by law. Finally duct mounted smoke detectors are specified to be provided in all supply air handling units with a capacity in excess of 2,000 cfm which is also a New York City Building Code requirement.

W. Additional Information Dimensions of Units:

The approximate square foot area of each Unit is measured horizontally on each floor from the exterior side of the glass or the exterior walls, at the Building line and/or Property line to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the midpoint of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements. Columns and mechanical pipes (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Units. Measured vertically, each Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab above. Any Common Elements located within or appurtenant to any Unit shall not be considered as part of that Unit. The method of measurement is applicable to all Units.

The foregoing constitutes a true, correct and complete Description of Property by our firm for the property located at 325 Fifth Avenue, New York, New York.

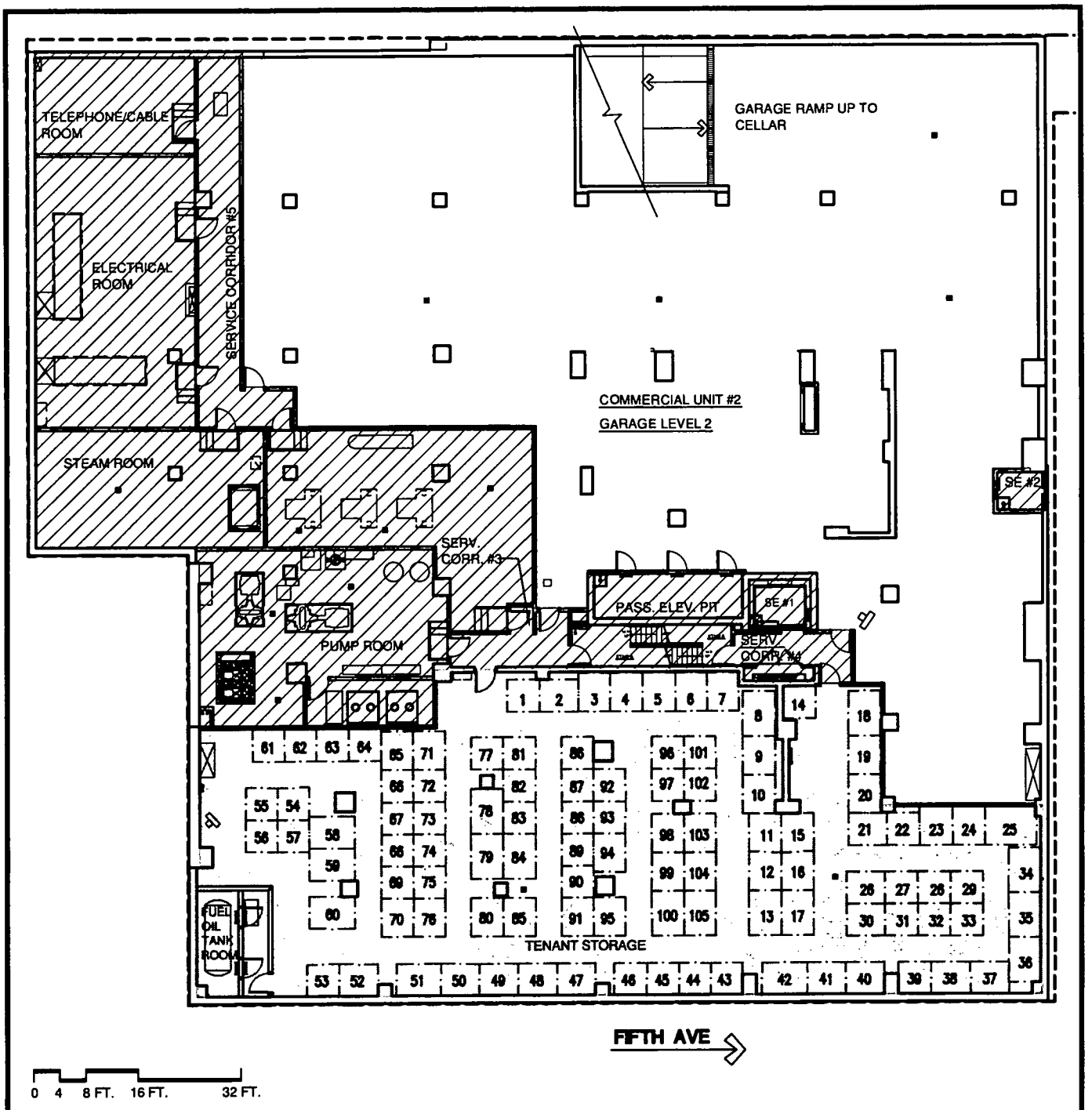


Stephen B. Jacobs, FAIA

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall, subtract cutouts. Sponsor reserves the right to make changes due to unforeseen conditions in accordance with the Offering Plan.

EXHIBIT 6

FLOOR PLANS



325 FIFTH AVENUE
NEW YORK, N.Y.
SERVICE LEVEL 2 PLAN

N

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TENANT STORAGE

No. STORAGE	SIZE	AREA	No. STORAGE	SIZE	AREA
1	5'-0" x 5'-0"	25 SF	54	5'-0" x 5'-0"	25 SF
2	5'-0" x 6'-0"	30 SF	55	5'-0" x 5'-0"	25 SF
3	5'-0" x 6'-0"	30 SF	56	5'-0" x 5'-0"	25 SF
4	5'-0" x 6'-0"	30 SF	57	5'-0" x 5'-0"	25 SF
5	5'-0" x 6'-0"	30 SF	58	5'-0" x 7'-0"	35 SF
6	5'-0" x 6'-0"	30 SF	59	5'-0" x 7'-0"	35 SF
7	5'-0" x 6'-0"	30 SF	60	5'-0" x 7'-0"	35 SF
8	5'-0" x 7'-0"	35 SF	61	5'-0" x 5'-0"	25 SF
9	5'-0" x 6'-0"	30 SF	62	5'-0" x 5'-0"	25 SF
10	5'-0" x 6'-0"	30 SF	63	5'-0" x 5'-0"	25 SF
11	5'-0" x 6'-0"	30 SF	64	5'-0" x 5'-0"	25 SF
12	5'-0" x 6'-0"	30 SF	65	5'-0" x 6'-0"	30 SF
13	5'-0" x 7'-0"	35 SF	66	5'-0" x 5'-0"	25 SF
14	5'-0" x 5'-0"	25 SF	67	5'-0" x 5'-0"	25 SF
15	5'-0" x 6'-0"	30 SF	68	5'-0" x 5'-0"	25 SF
16	5'-0" x 6'-0"	30 SF	69	5'-0" x 5'-0"	25 SF
17	5'-0" x 7'-0"	35 SF	70	5'-0" x 6'-0"	30 SF
18	5'-0" x 7'-0"	35 SF	71	5'-0" x 6'-0"	30 SF
19	5'-0" x 6'-0"	30 SF	72	5'-0" x 5'-0"	25 SF
20	5'-0" x 6'-0"	30 SF	73	5'-0" x 5'-0"	25 SF
21	5'-0" x 6'-0"	30 SF	74	5'-0" x 5'-0"	25 SF
22	5'-0" x 5'-0"	25 SF	75	5'-0" x 5'-0"	25 SF
23	5'-0" x 6'-0"	30 SF	76	5'-0" x 6'-0"	30 SF
24	5'-0" x 6'-0"	30 SF	77	5'-0" x 5'-0"	25 SF
25	8'-0" x 6'-0"	48 SF	78	5'-0" x 7'-0"	35 SF
26	5'-0" x 6'-0"	30 SF	79	5'-0" x 7'-0"	35 SF
27	5'-0" x 5'-0"	25 SF	80	5'-0" x 6'-0"	25 SF
28	5'-0" x 5'-0"	25 SF	81	5'-0" x 5'-0"	25 SF
29	5'-0" x 5'-0"	25 SF	82	5'-0" x 5'-0"	25 SF
30	5'-0" x 6'-0"	30 SF	83	5'-0" x 5'-0"	25 SF
31	5'-0" x 5'-0"	25 SF	84	5'-0" x 7'-0"	35 SF
32	5'-0" x 5'-0"	25 SF	85	5'-0" x 6'-0"	30 SF
33	5'-0" x 5'-0"	25 SF	86	5'-0" x 5'-0"	25 SF
34	5'-0" x 7'-0"	35 SF	87	5'-0" x 5'-0"	25 SF
35	5'-0" x 7'-0"	35 SF	88	5'-0" x 5'-0"	25 SF
36	5'-0" x 7'-0"	35 SF	89	5'-0" x 5'-0"	25 SF
37	5'-0" x 6'-0"	30 SF	90	5'-0" x 5'-0"	25 SF
38	5'-0" x 6'-0"	30 SF	91	5'-0" x 6'-0"	30 SF
39	5'-0" x 5'-0"	25 SF	92	5'-0" x 5'-0"	25 SF
40	5'-0" x 6'-0"	30 SF	93	5'-0" x 5'-0"	25 SF
41	5'-0" x 6'-0"	30 SF	94	5'-0" x 6'-0"	30 SF
42	5'-0" x 7'-0"	35 SF	95	5'-0" x 6'-0"	30 SF
43	5'-0" x 5'-0"	25 SF	96	5'-0" x 5'-0"	25 SF
44	5'-0" x 5'-0"	25 SF	97	5'-0" x 5'-0"	25 SF
45	5'-0" x 5'-0"	25 SF	98	5'-0" x 6'-0"	30 SF
46	5'-0" x 5'-0"	25 SF	99	5'-0" x 6'-0"	30 SF
47	5'-0" x 6'-0"	30 SF	100	5'-0" x 7'-0"	35 SF
48	5'-0" x 6'-0"	30 SF	101	5'-0" x 5'-0"	25 SF
49	5'-0" x 6'-0"	30 SF	102	5'-0" x 5'-0"	25 SF
50	5'-0" x 6'-0"	30 SF	103	5'-0" x 6'-0"	30 SF
51	5'-0" x 7'-0"	35 SF	104	5'-0" x 6'-0"	30 SF
52	5'-0" x 6'-0"	30 SF	105	5'-0" x 7'-0"	35 SF
53	5'-0" x 5'-0"	25 SF			

325 FIFTH AVENUE

NEW YORK, N.Y.

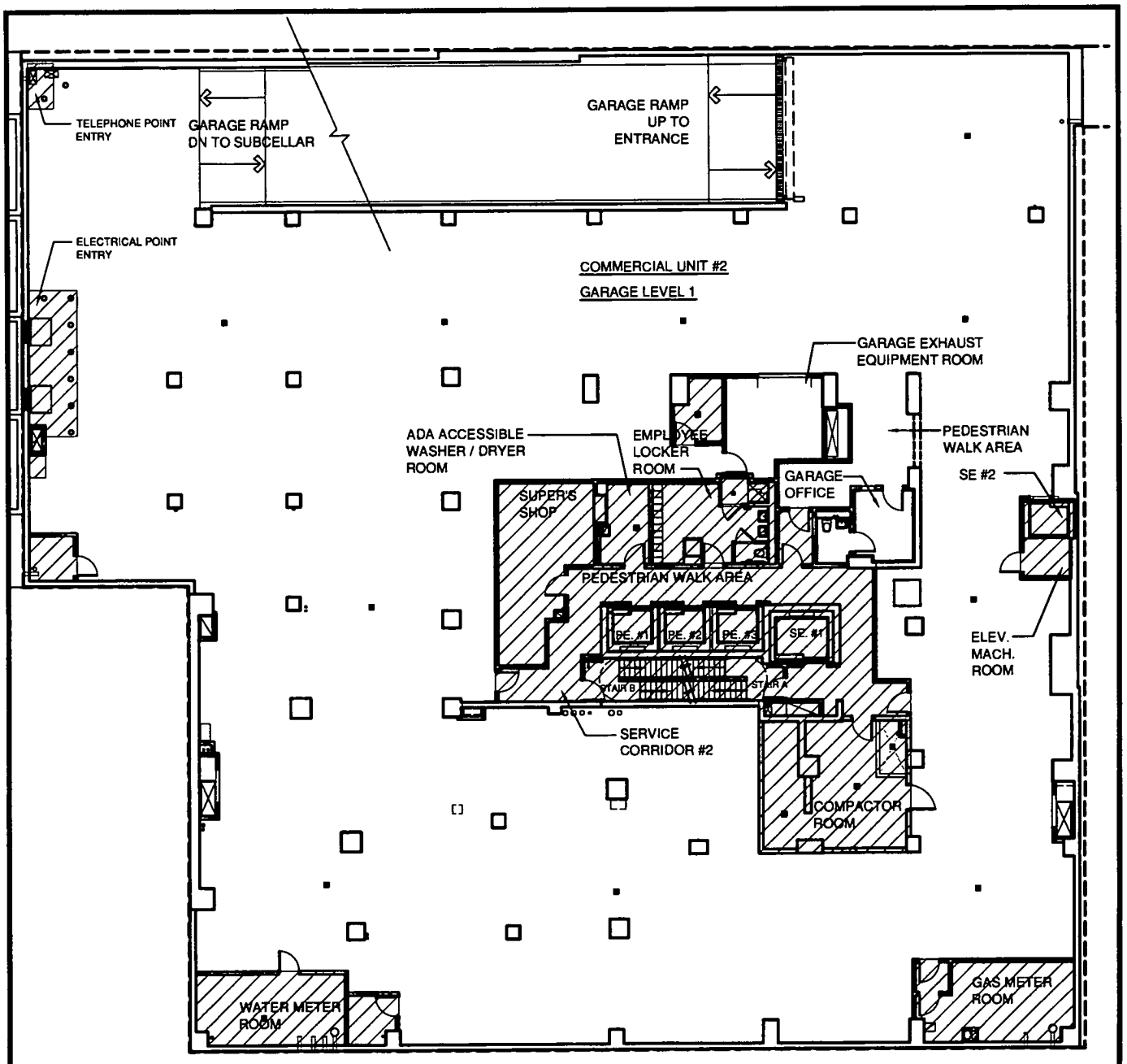
SERVICE LEVEL 2 TABLE TENANT STORAGE



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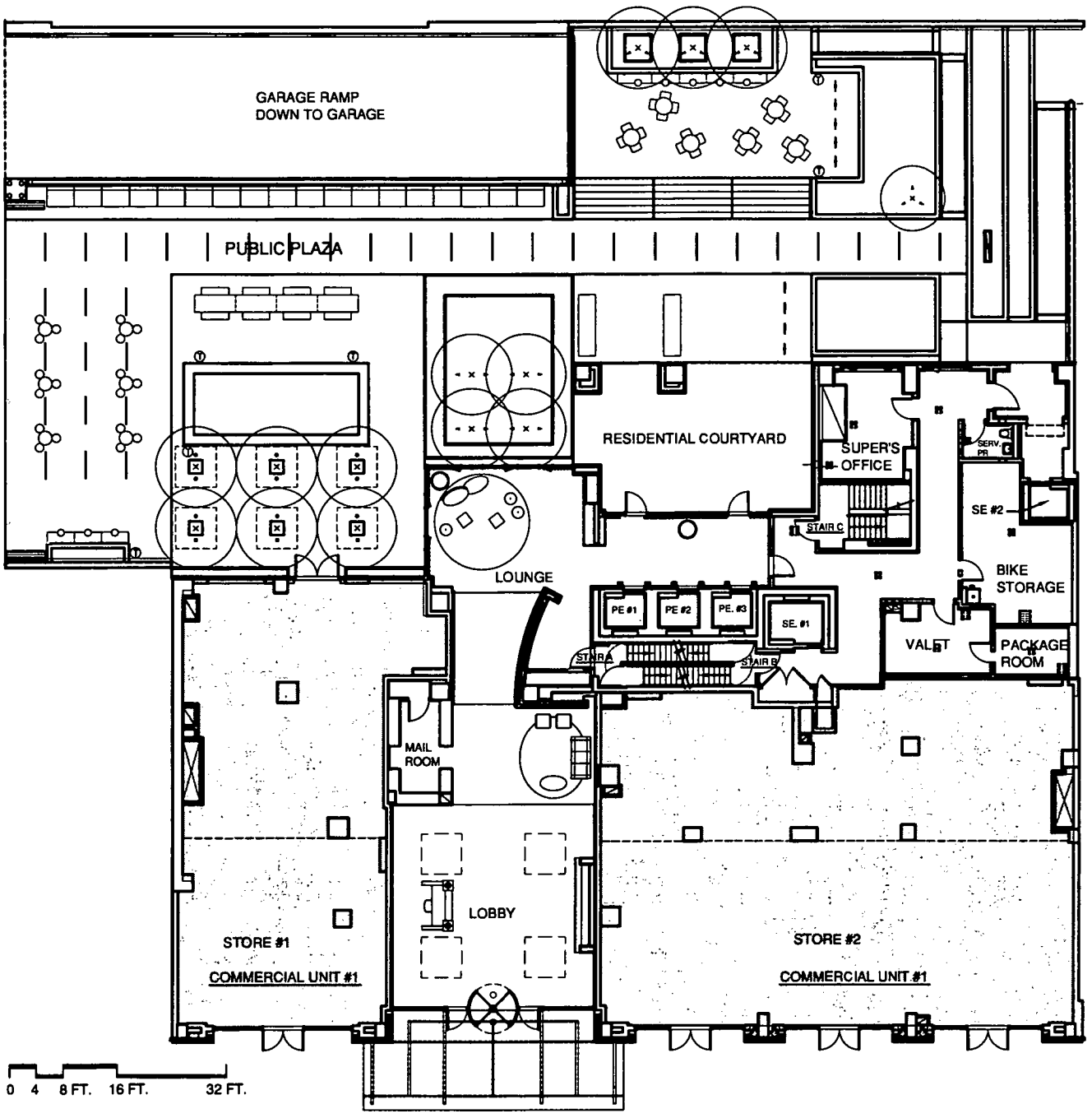


325 FIFTH AVENUE
NEW YORK, N.Y.
SERVICE LEVEL 1 PLAN

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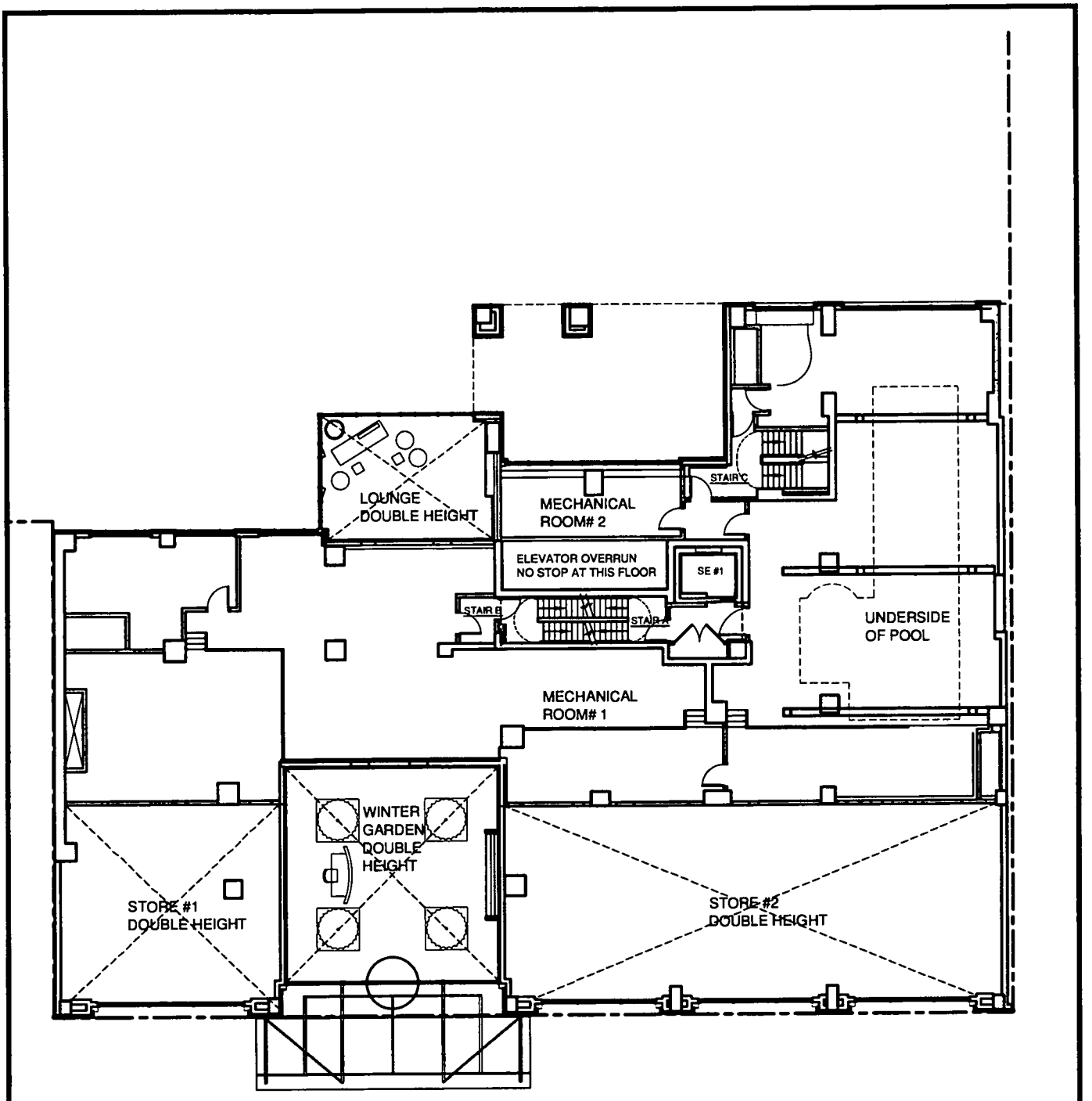


325 FIFTH AVENUE
NEW YORK, N.Y.
GROUND FLOOR

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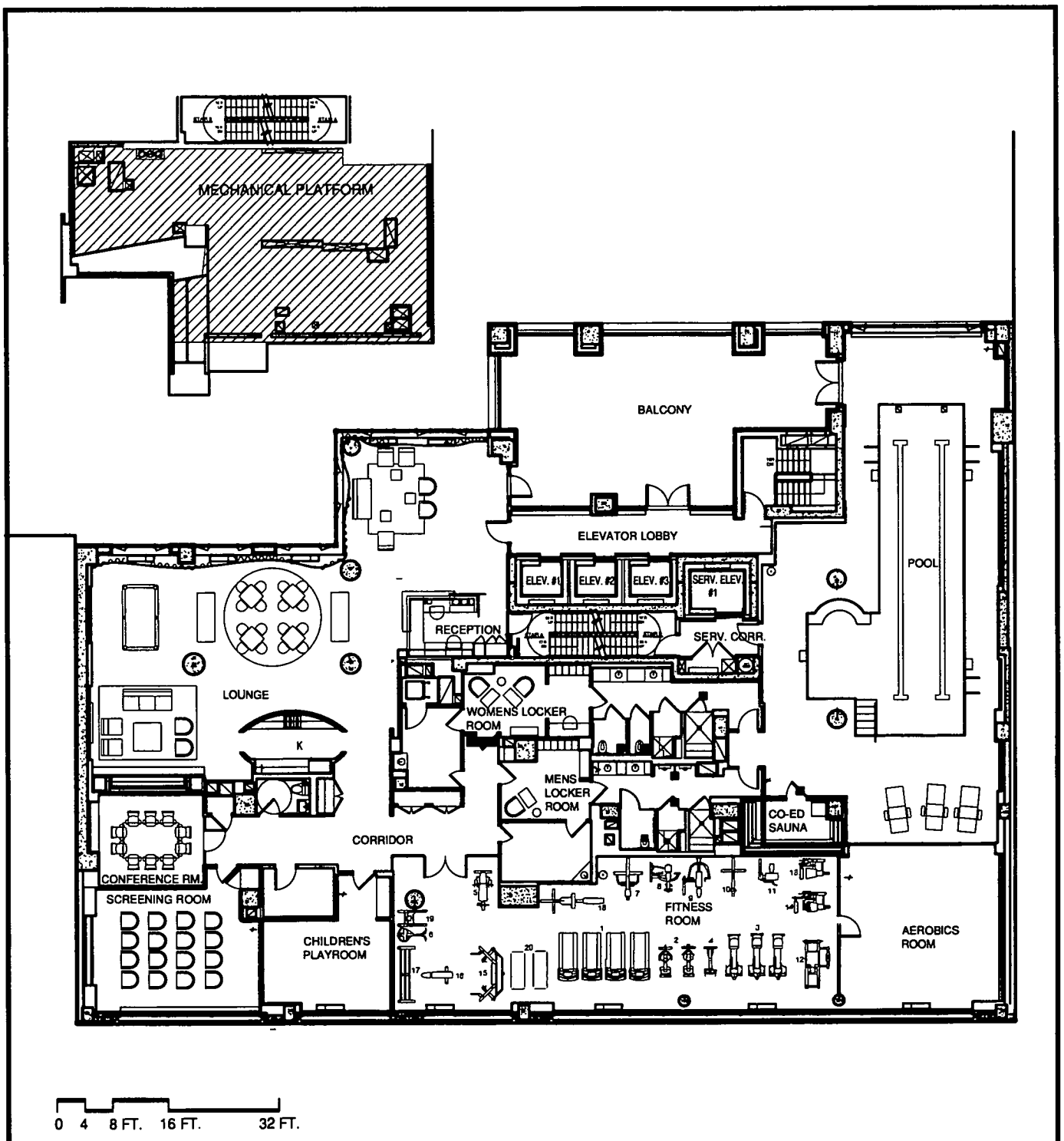
1st MEZZANINE FLOOR PLAN

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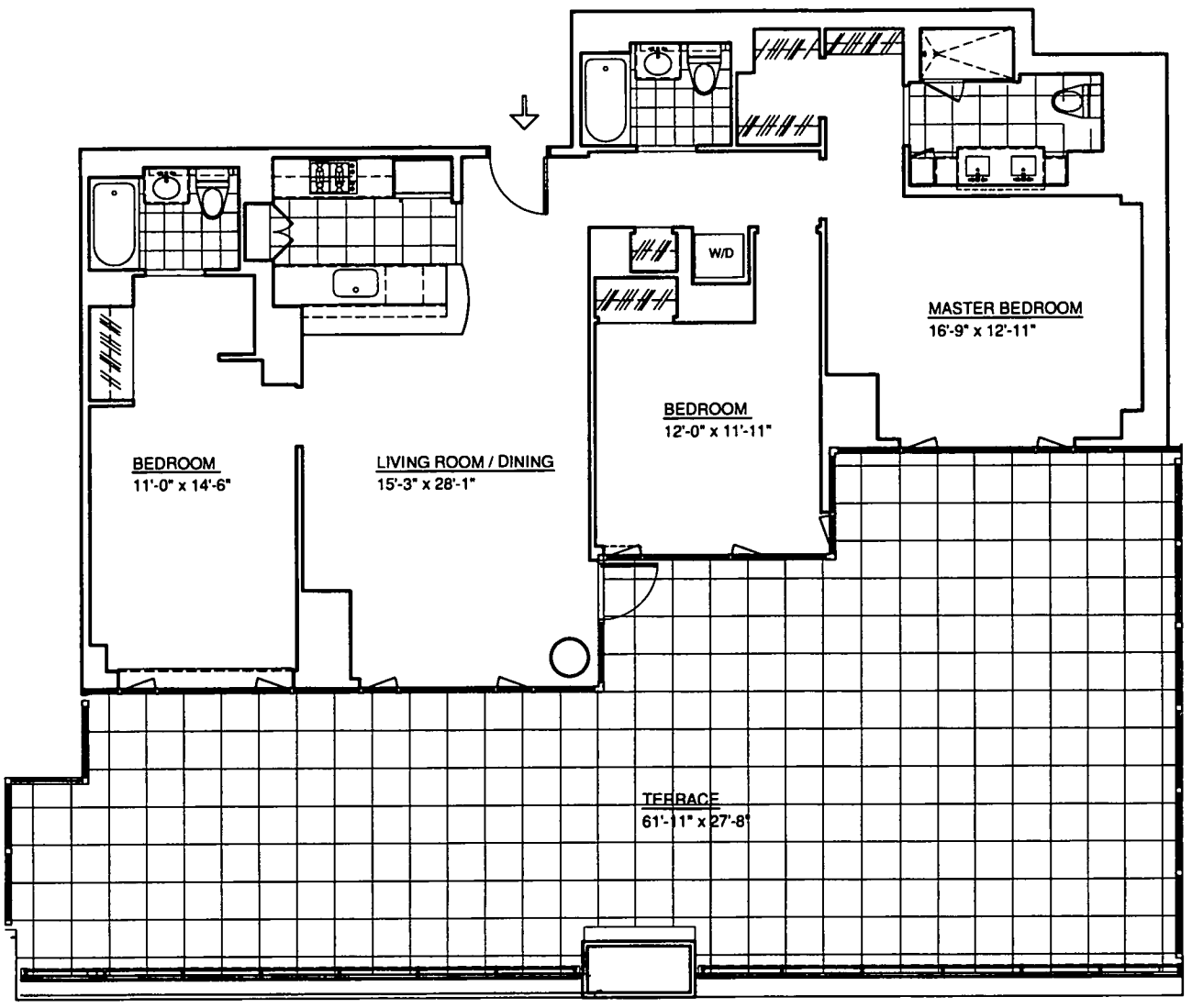
325 FIFTH AVENUE
NEW YORK, N.Y.
CLUB FLOOR PLAN

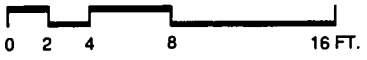
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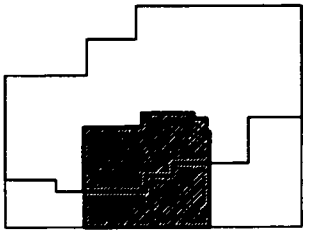
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NEW YORK, N.Y.

APT. A, 8th FLOOR

3 BEDRM 3 BATH

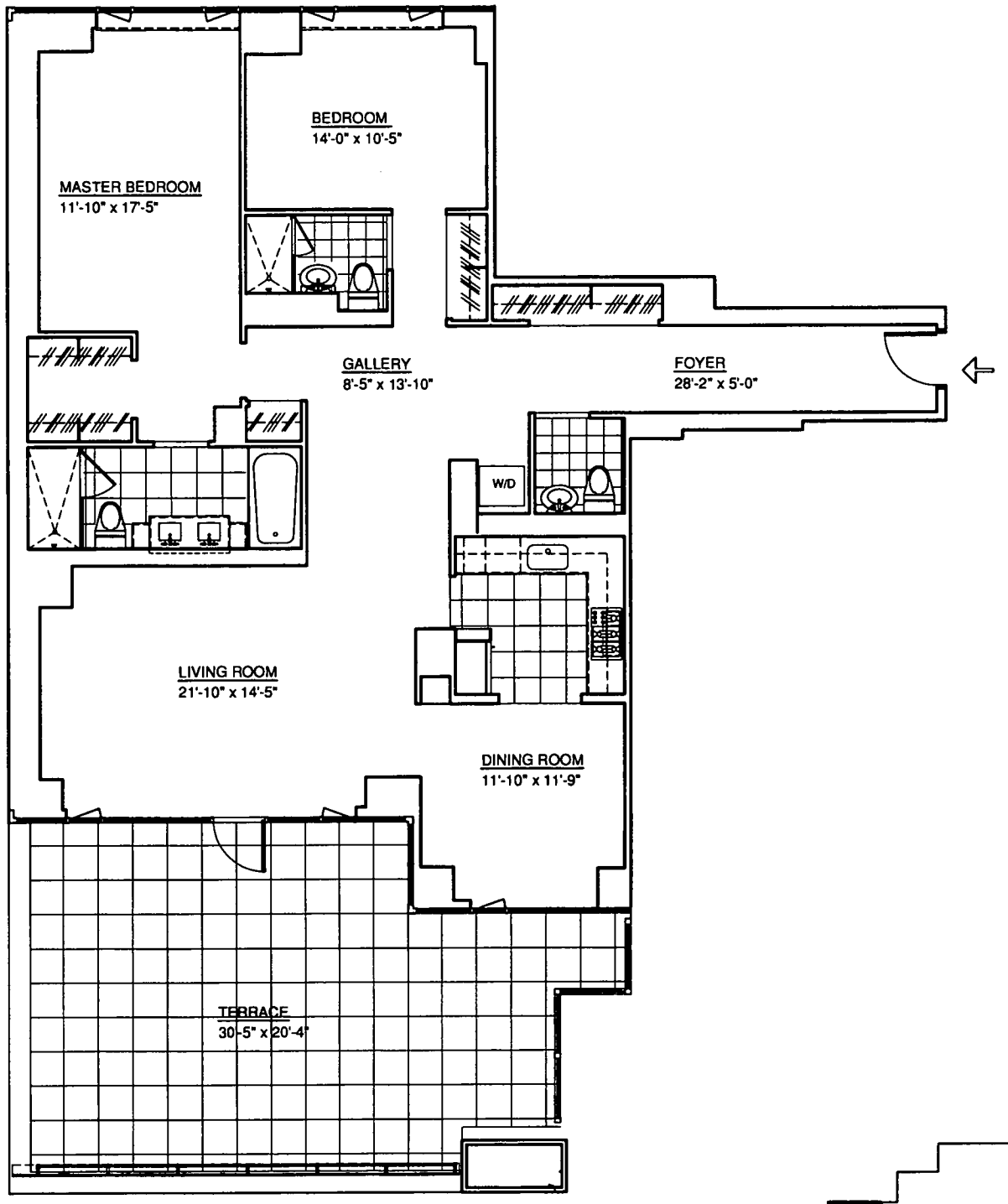
APPROX. AREA 1,511 sf OUTSIDE AREA 1,138 sf

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APT. B, 8th FLOOR

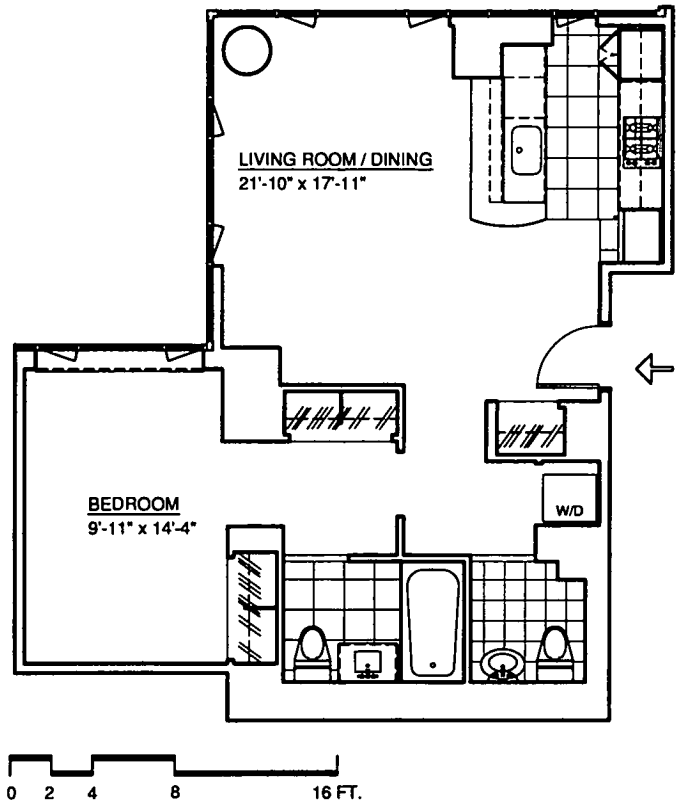
2 BEDRM 2 1/2 BATH

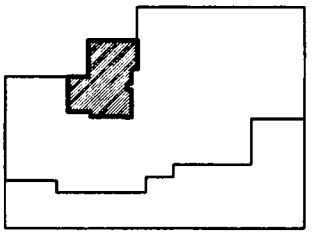
APPROX. AREA 1,741 sf OUTSIDE AREA 623 sf

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APT. C, 8th FLOOR

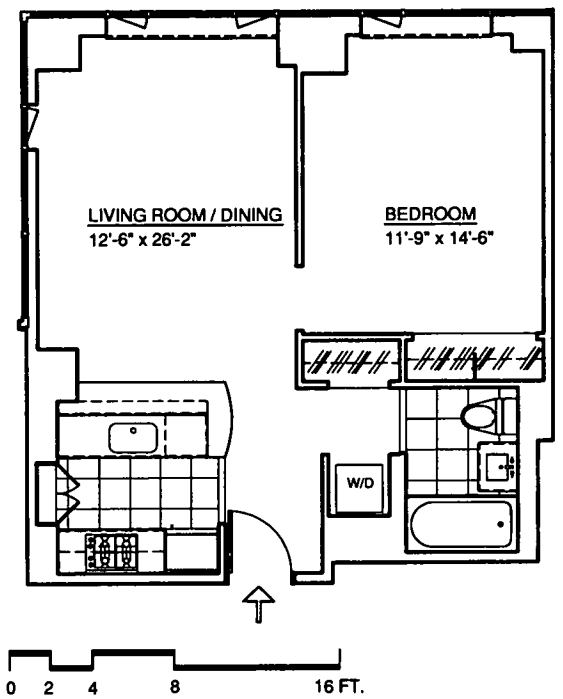
1 BEDRM 1 1/2 BATH

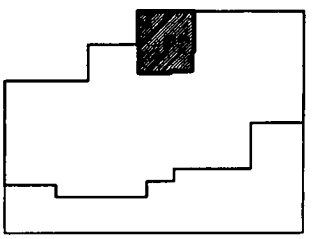
APPROX. AREA 849 sf

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APT. D, 8th FLOOR

1 BEDRM 1 BATH

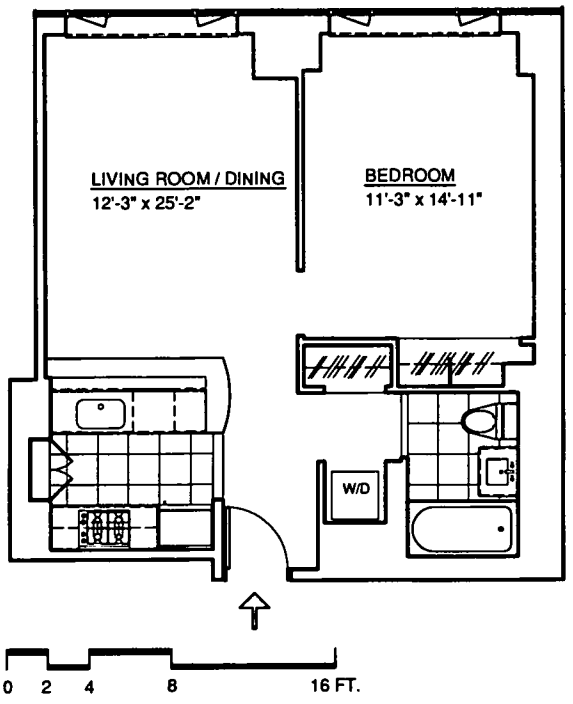
APPROX. AREA 687 sf

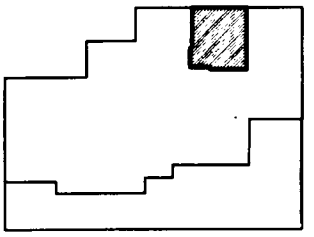
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APT. E, 8th FLOOR

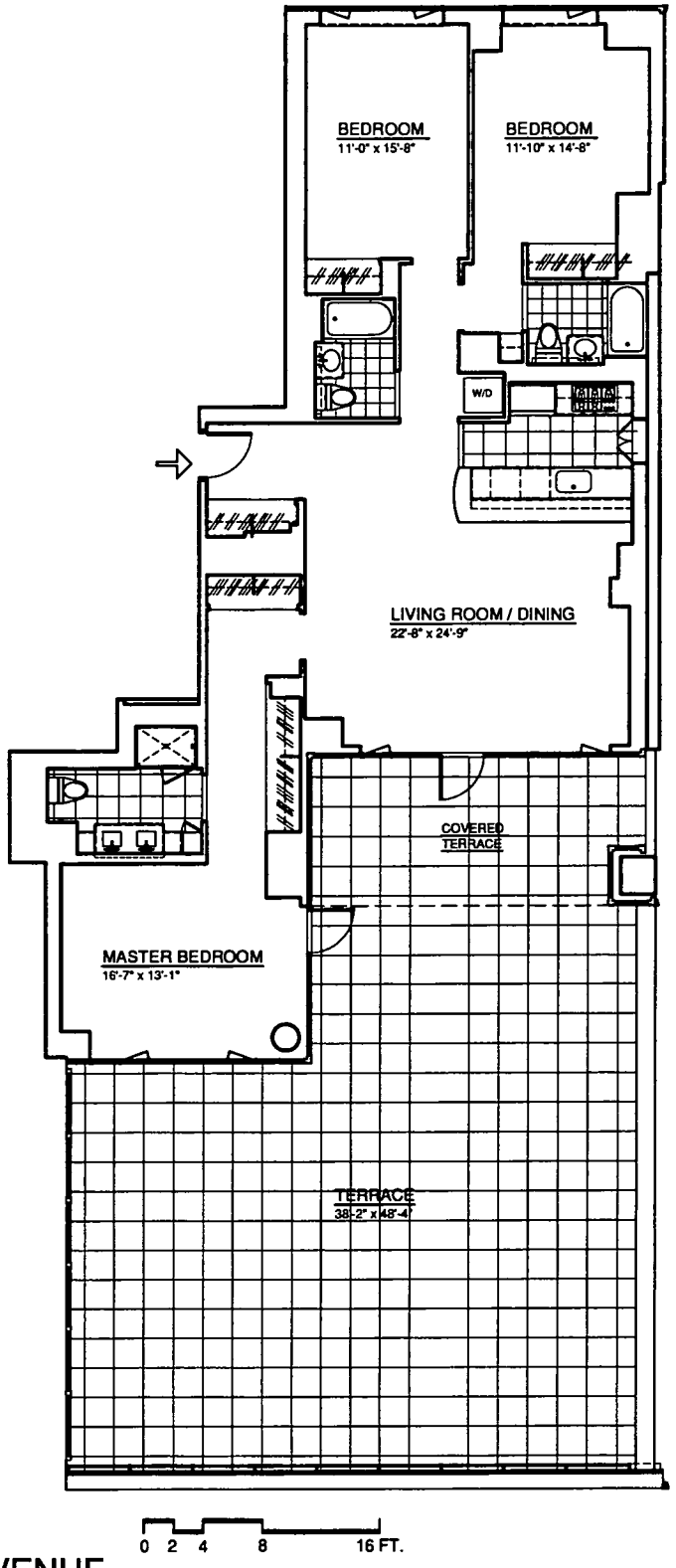
1 BEDRM 1 BATH

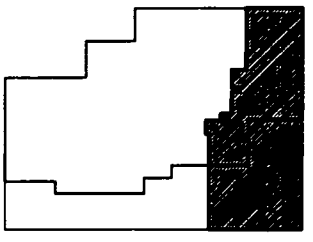
APPROX. AREA 688 sf

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APT. F, 8th FLOOR

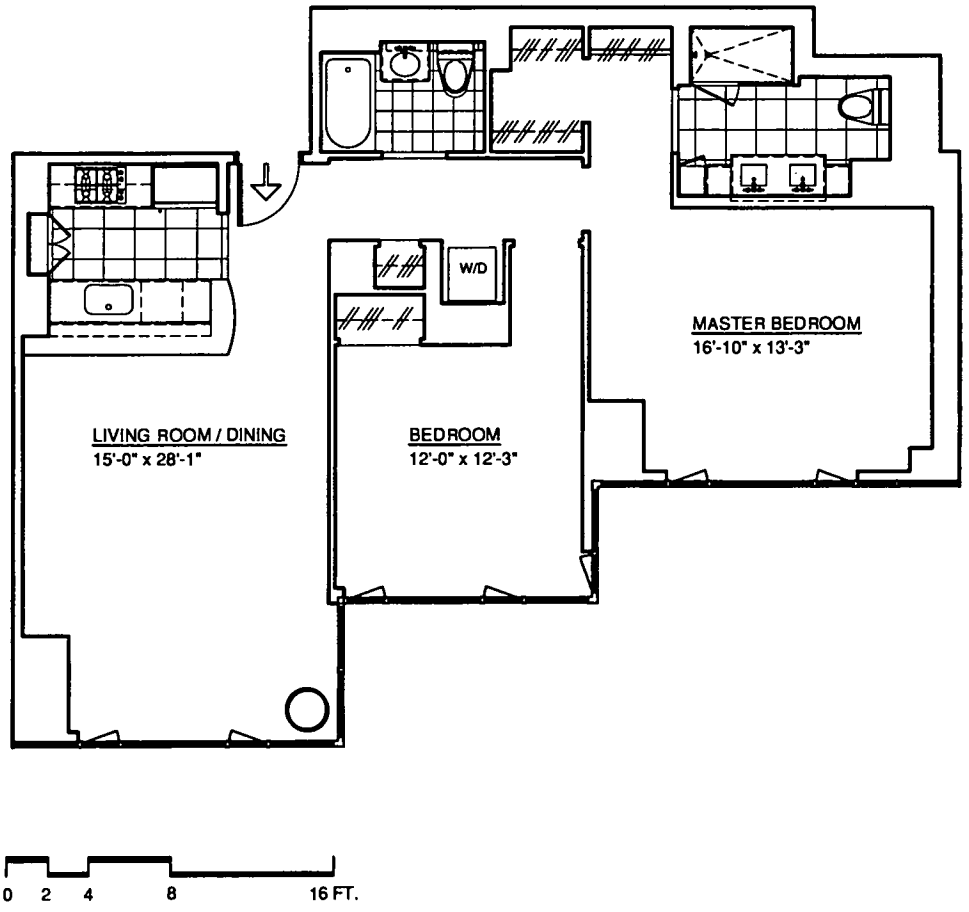
3 BEDRM 3 BATH

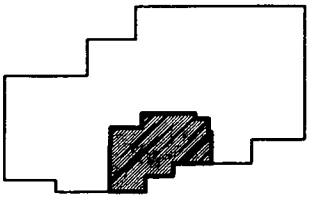
APPROX. AREA 1,775 sf OUTSIDE AREA 1,544 sf

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APT. A, 9th & 10th FLOORS

2 BEDRM 2 BATH

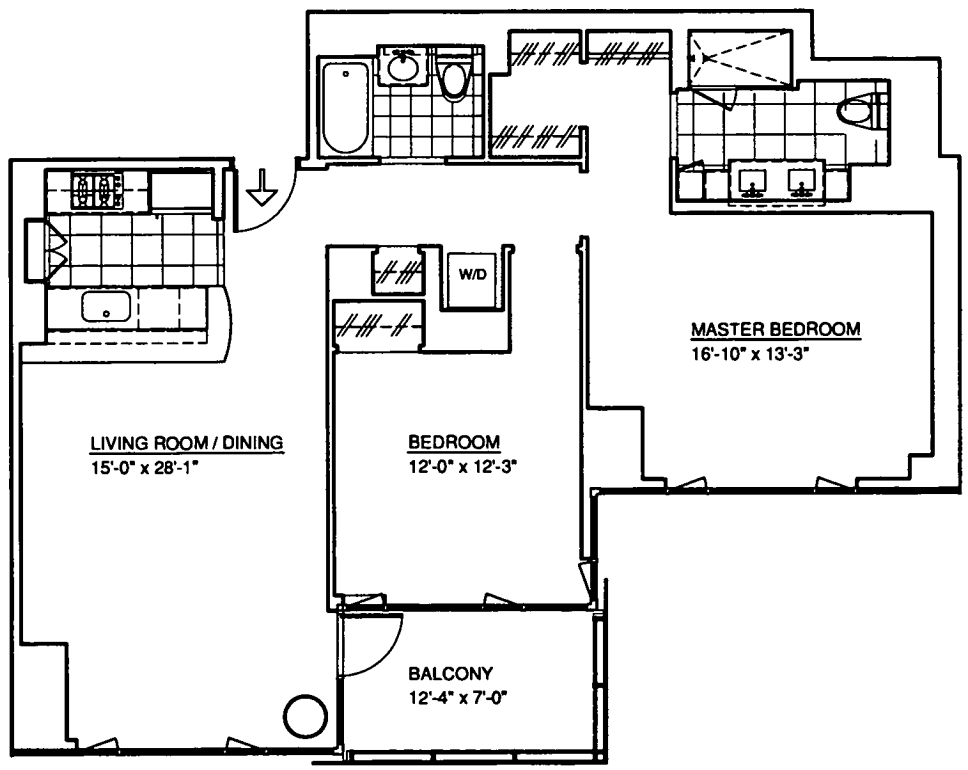
APPROX. AREA 1,176 sf

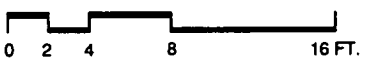
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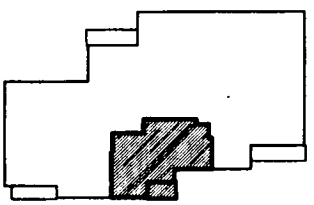
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NEW YORK, N.Y.

APT. A, 11th - 25th FLOORS

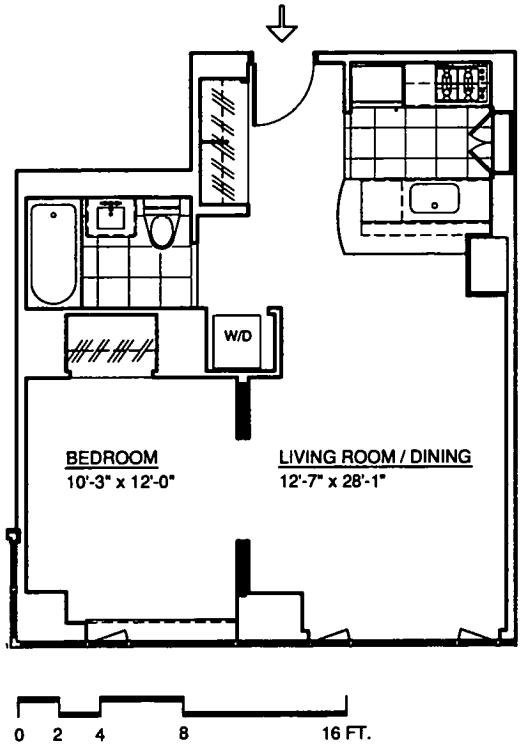
2 BEDRM 2 BATH

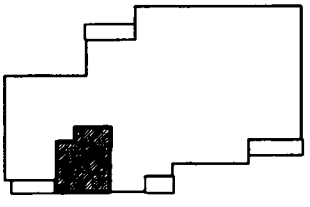
APPROX. AREA 1,176 sf OUTSIDE AREA 86 sf

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NEW YORK, N.Y.

APT. B, 9th - 25th FLOORS

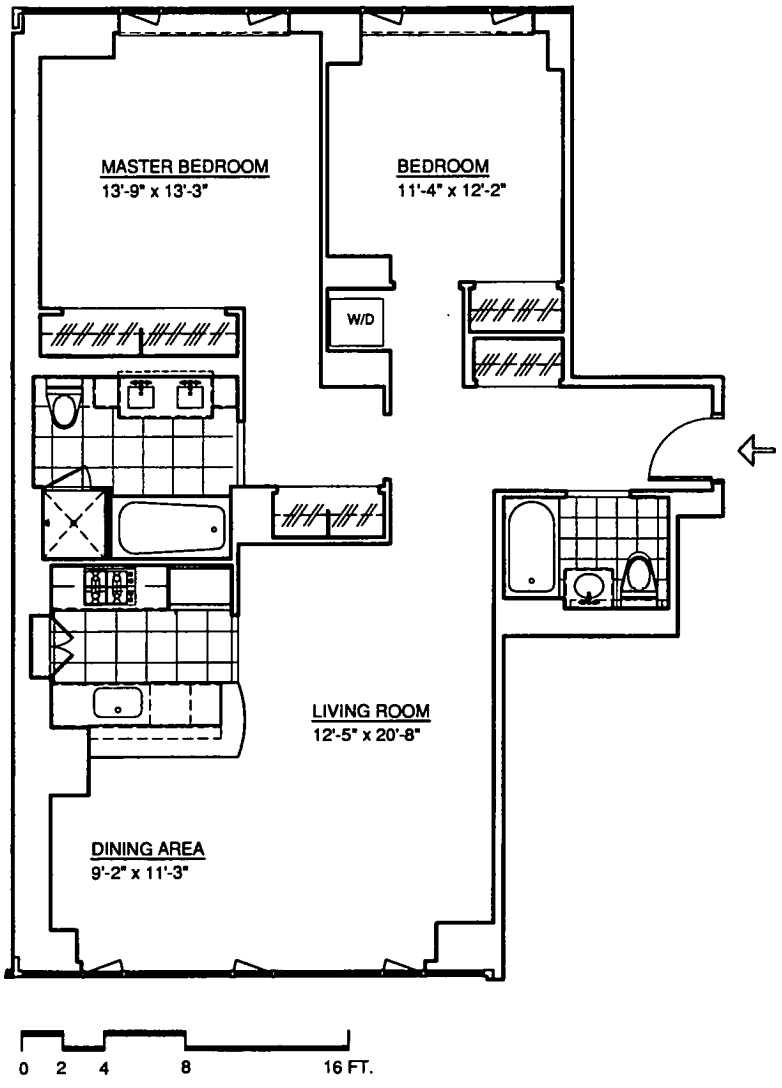
1 BEDRM 1 BATH

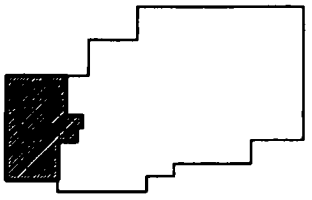
APPROX. AREA 646 sf

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APT. C, 9th - 12th FLOORS

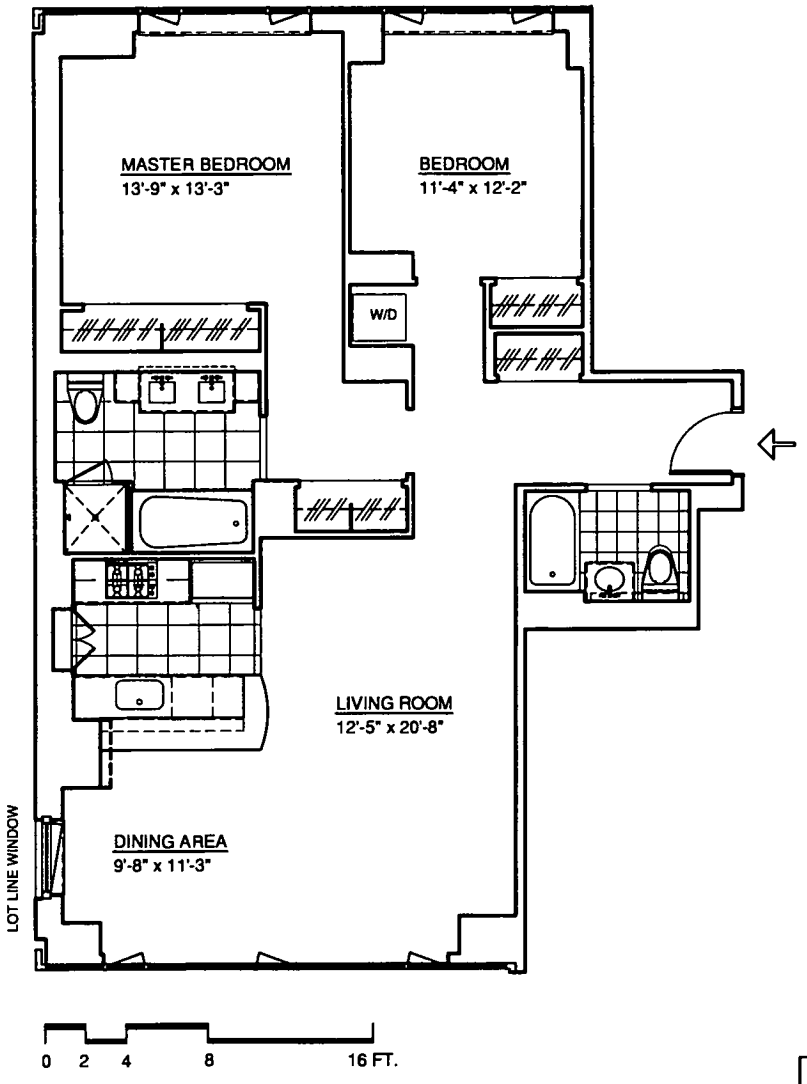
2 BEDRM 2 BATH

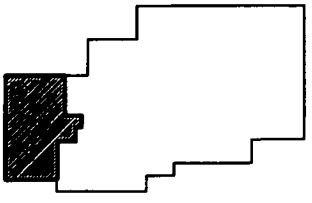
APPROX. AREA 1,282 sf

ALL DIMENSIONS ARE APPROXIMATE. PLANS, SPECIFICATIONS, AND MATERIALS MAY VARY DUE TO CONSTRUCTION, FIELD CONDITIONS, REQUIREMENTS, AND AVAILABILITIES.

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APT. C, 14th - 18th FLOORS

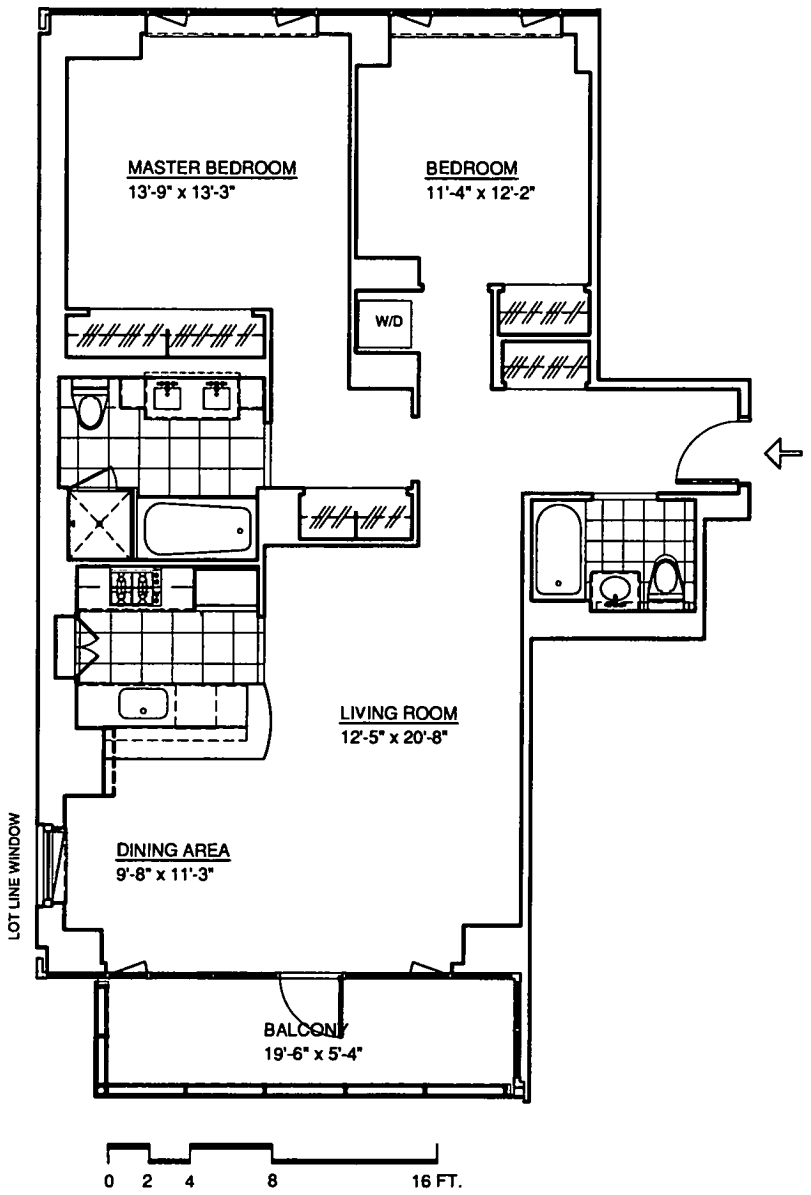
2 BEDRM 2 BATH

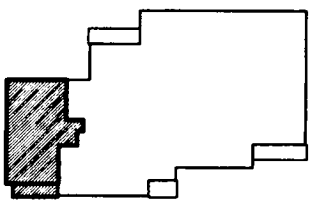
APPROX. AREA 1,282 sf

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APT. C, 19th - 25th FLOORS

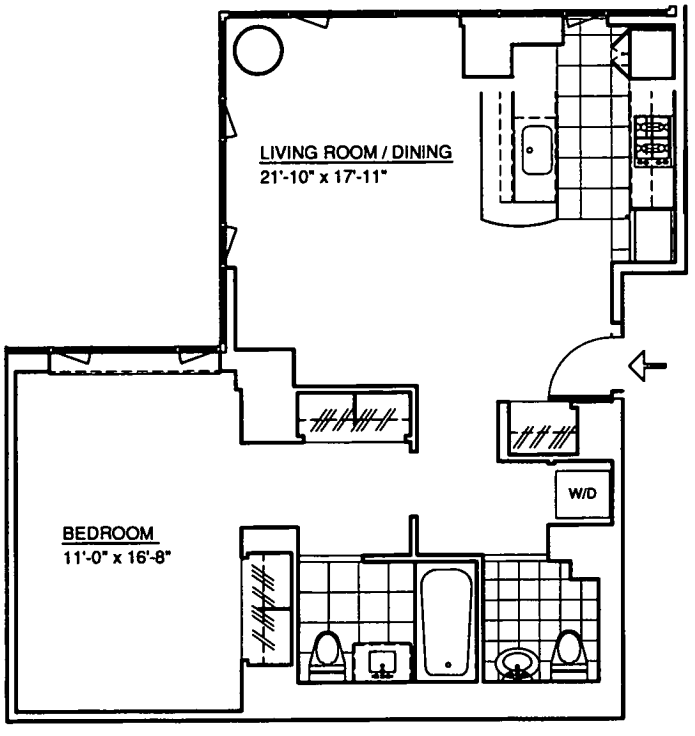
2 BEDRM 2 BATH

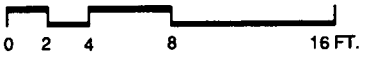
APPROX. AREA 1,282 sf OUTSIDE AREA 104 sf

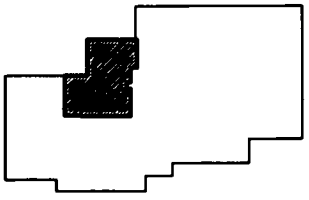
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APT. D, 9th & 10th FLOORS

1 BEDRM 1 1/2 BATH

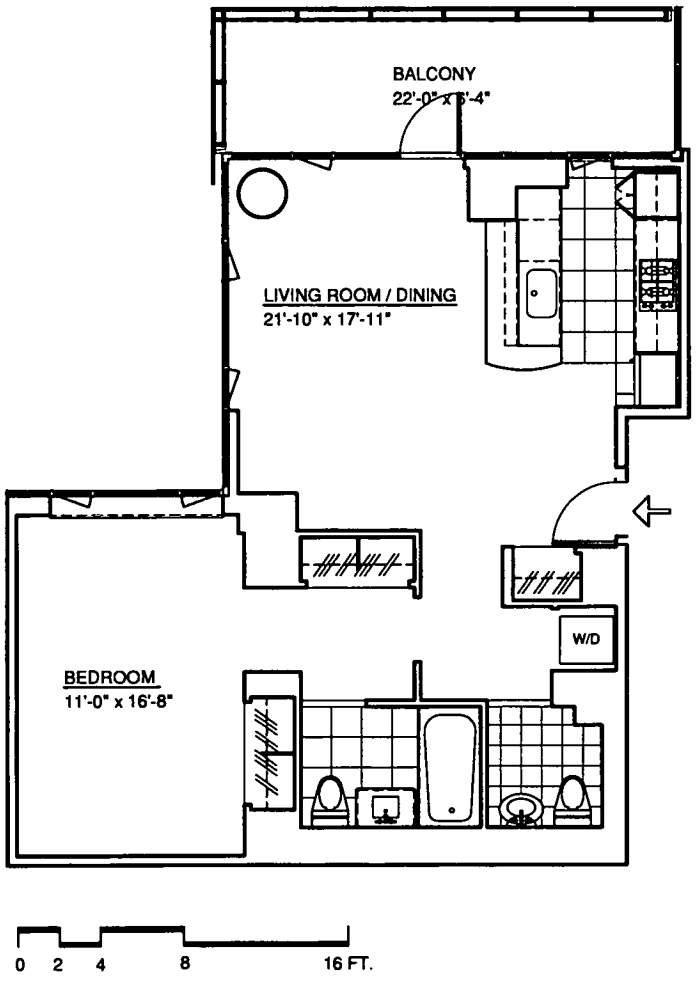
APPROX. AREA 899 sf

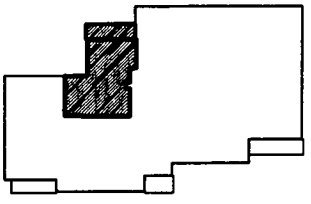
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APT. D, 11th - 25th FLOORS

1 BEDRM 1 1/2 BATH

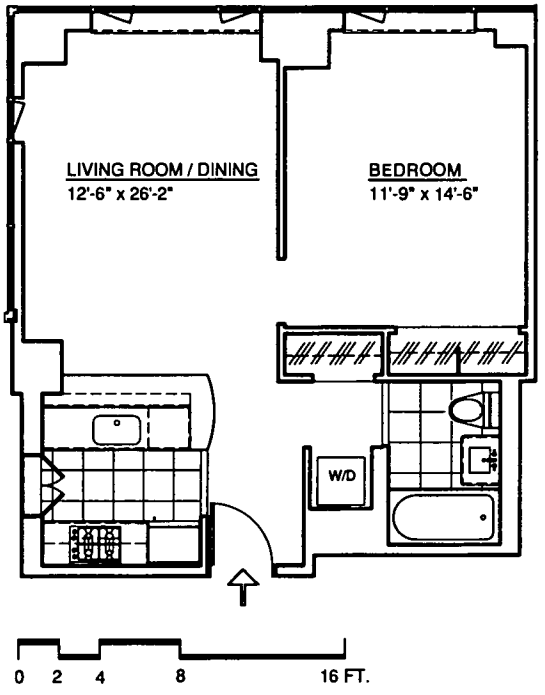
APPROX. AREA 899 sf OUTSIDE AREA 139 sf

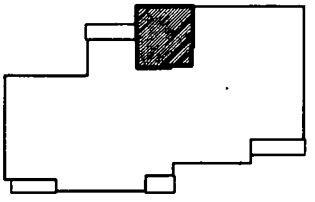
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APT. E, 9th - 25th FLOORS

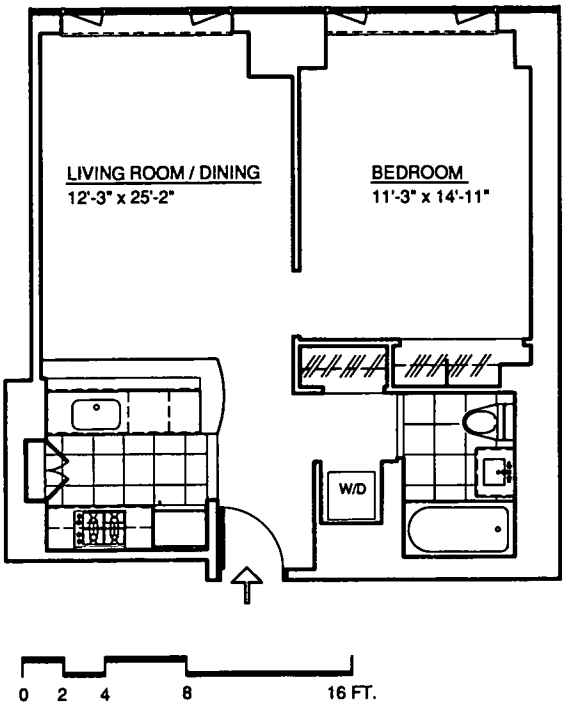
1 BEDRM 1 BATH

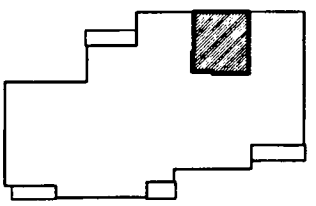
APPROX. AREA 687 sf

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APT. F, 9th - 25th FLOORS

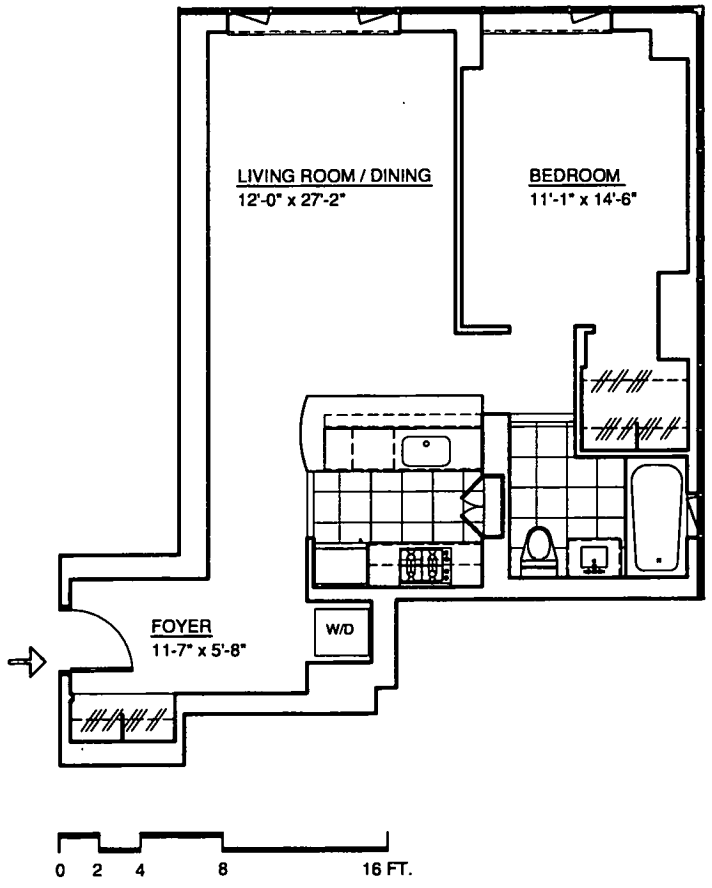
1 BEDRM 1 BATH

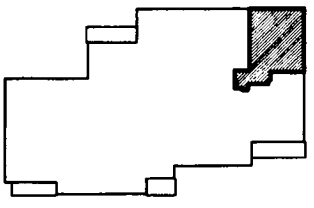
APPROX. AREA 688 sf

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APT. G, 9th - 25th FLOORS

1 BEDRM 1 BATH

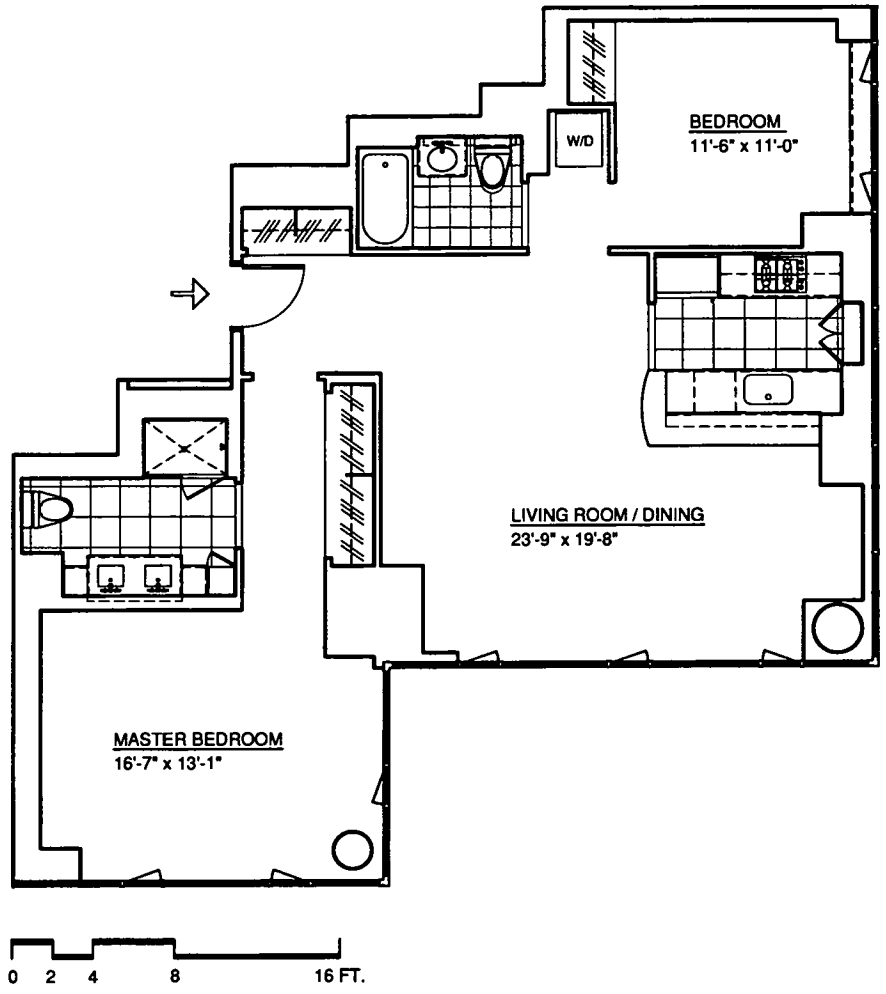
APPROX. AREA 816 sf

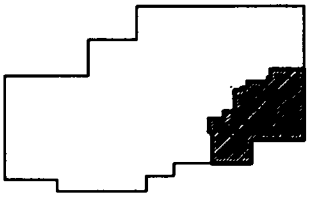
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APT. H, 9th - 11th FLOORS

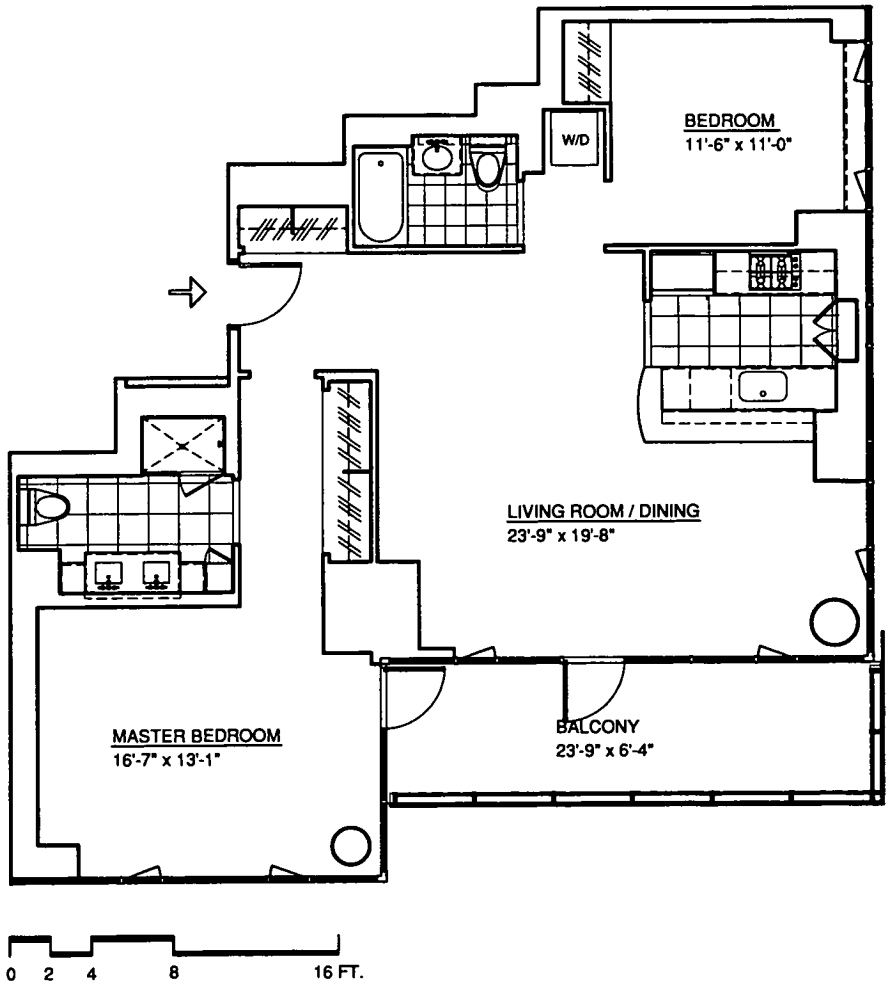
2 BEDRM 2 BATH

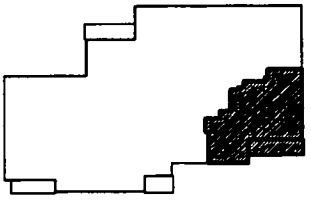
APPROX. AREA 1,198 sf

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APT. H, 12th - 25th FLOORS

2 BEDRM 2 BATH

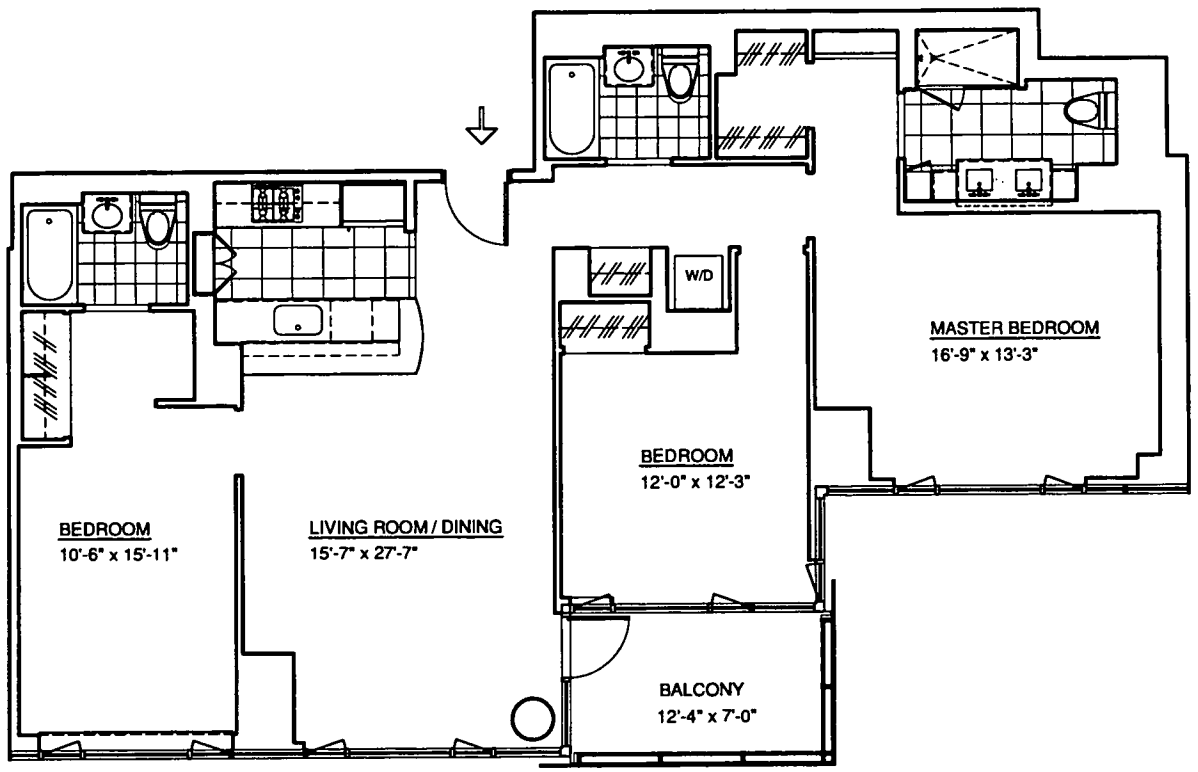
APPROX. AREA 1,198 sf OUTSIDE AREA 150 sf

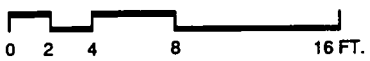
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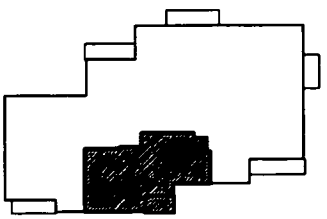
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APT. A, 26th - 42nd FLOORS

3 BEDRM 3 BATH

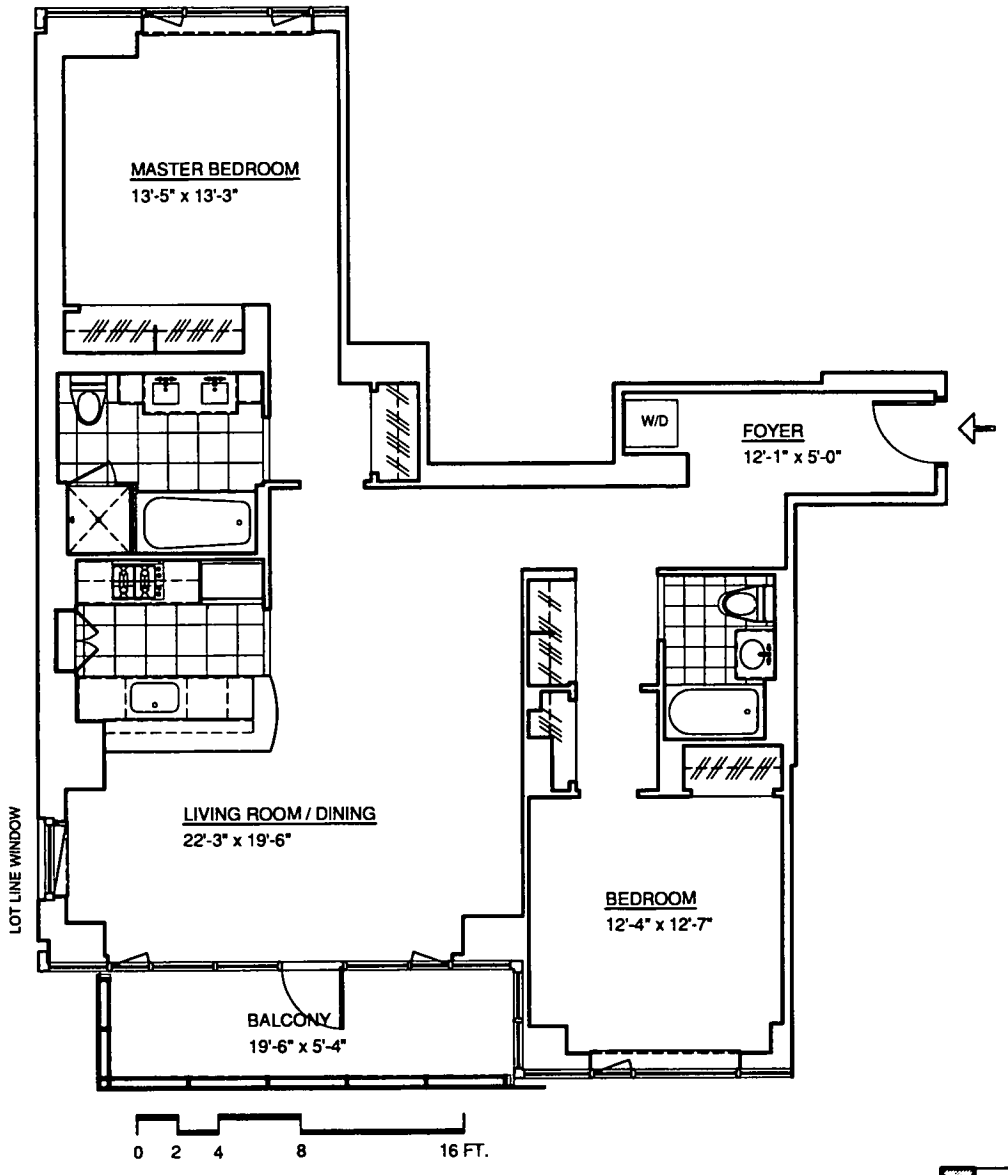
APPROX. AREA 1,489 sf OUTSIDE AREA 86 sf

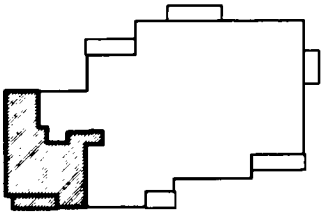
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APT. B, 26th & 37th FLOORS

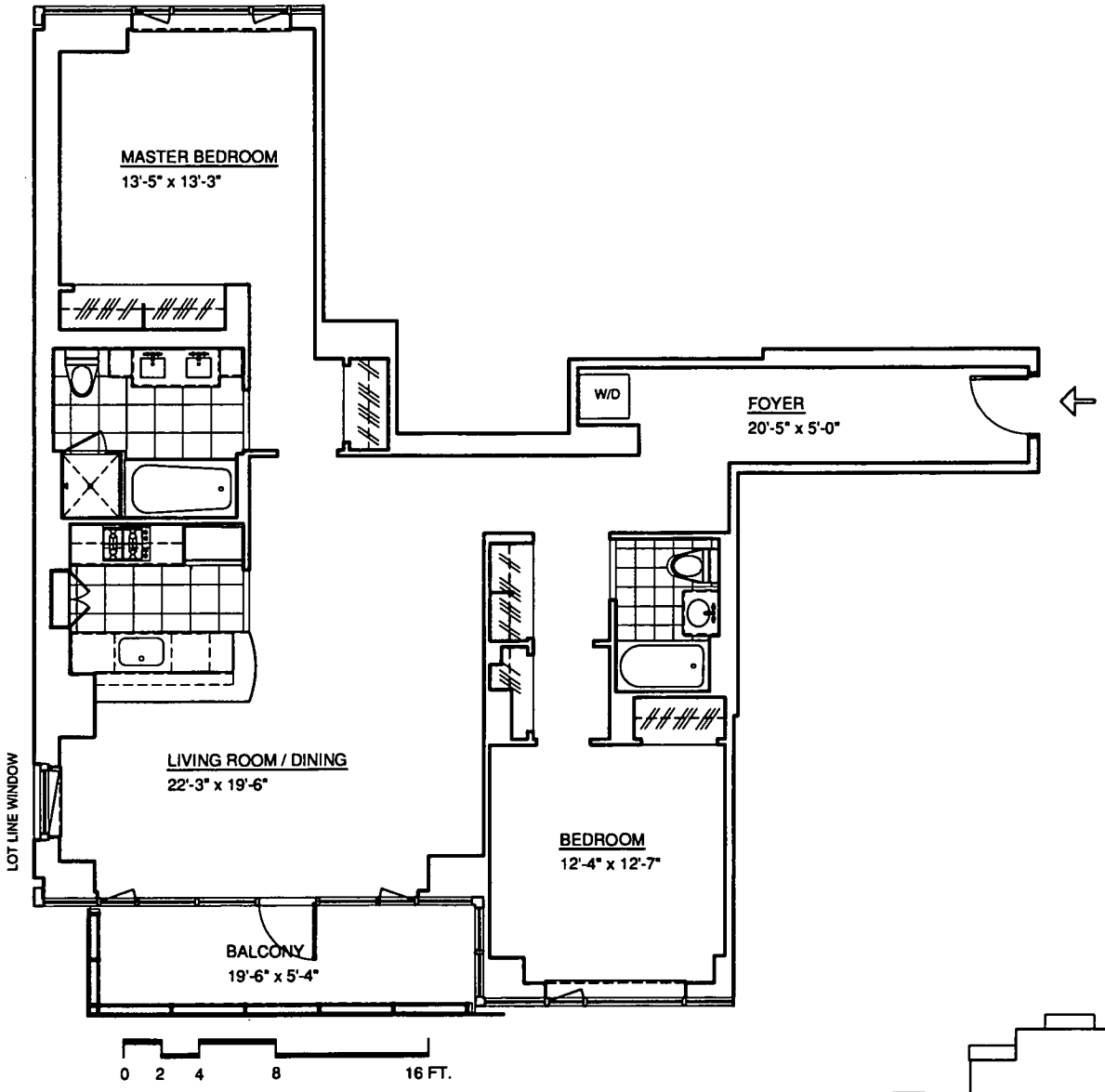
2 BEDRM 2 BATH

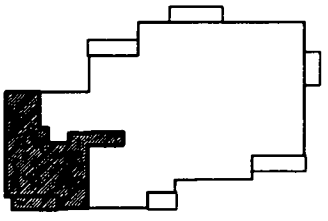
APPROX. AREA 1,396 sf OUTSIDE AREA 104 sf

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APT. B 27th - 36th and 38th - 42nd FLOORS

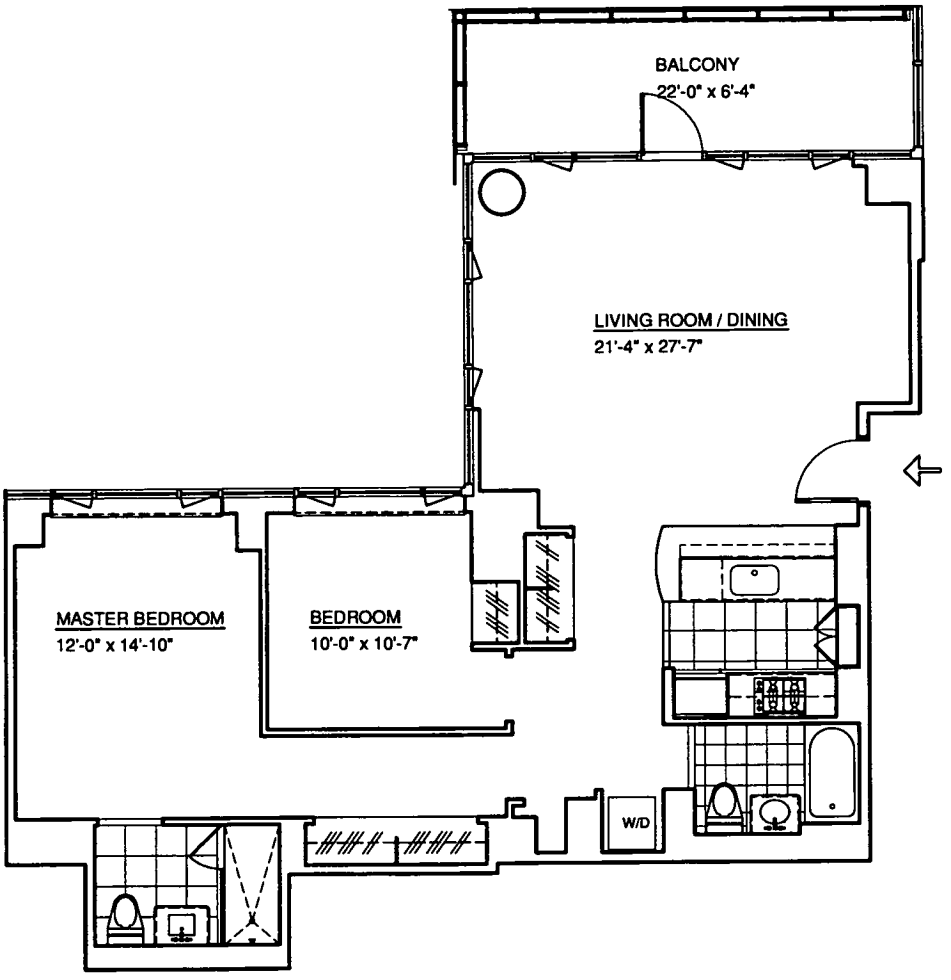
2 BEDRM 2 BATH

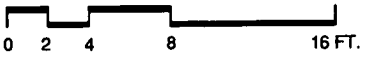
APPROX. AREA 1,446 sf OUTSIDE AREA 104 sf

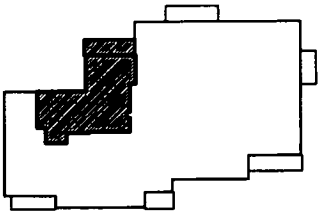
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APT. C, 26th - 42nd FLOORS

2 BEDRM 2 BATH

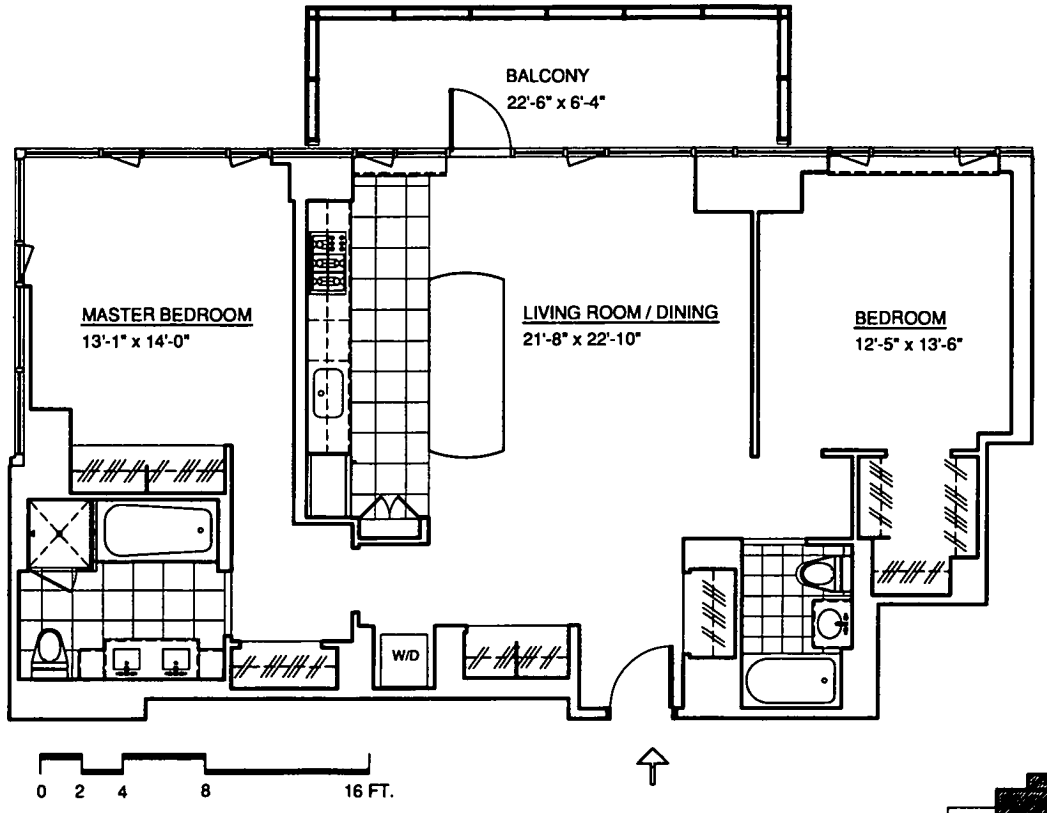
APPROX. AREA 1,151 sf OUTSIDE AREA 139 sf

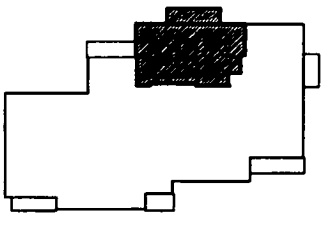
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APT. D, 26th - 42nd FLOORS

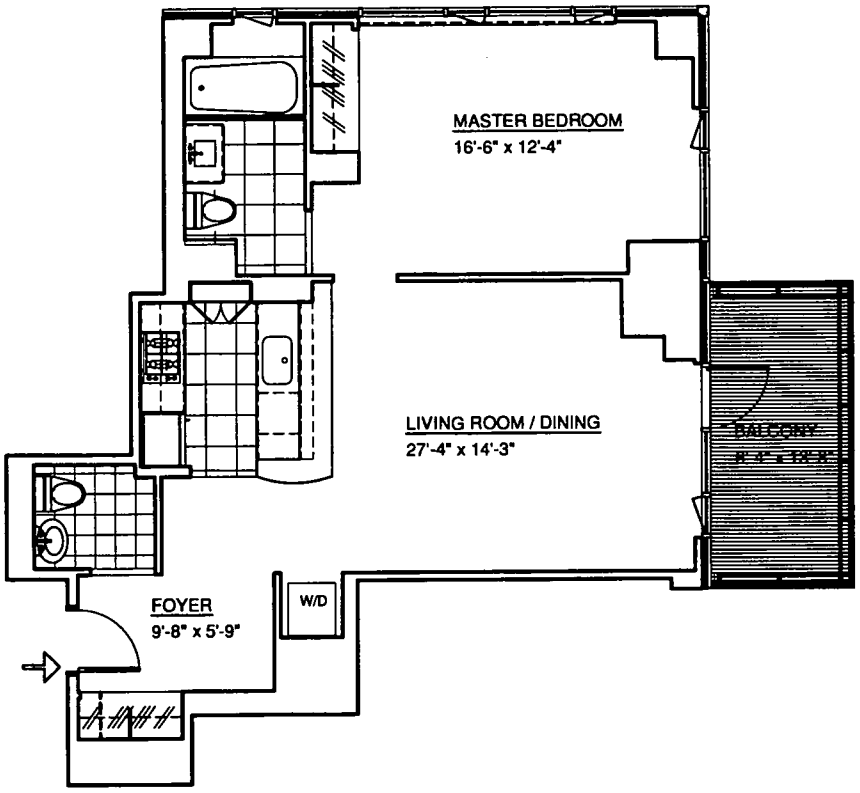
2 BEDRM 2 BATH

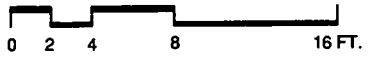
APPROX. AREA 1,280 sf OUTSIDE AREA 142 sf

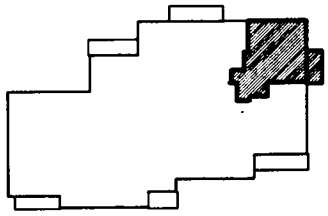
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APT. E, 26th - 42nd FLOORS

1 BEDRM 1 1/2 BATH

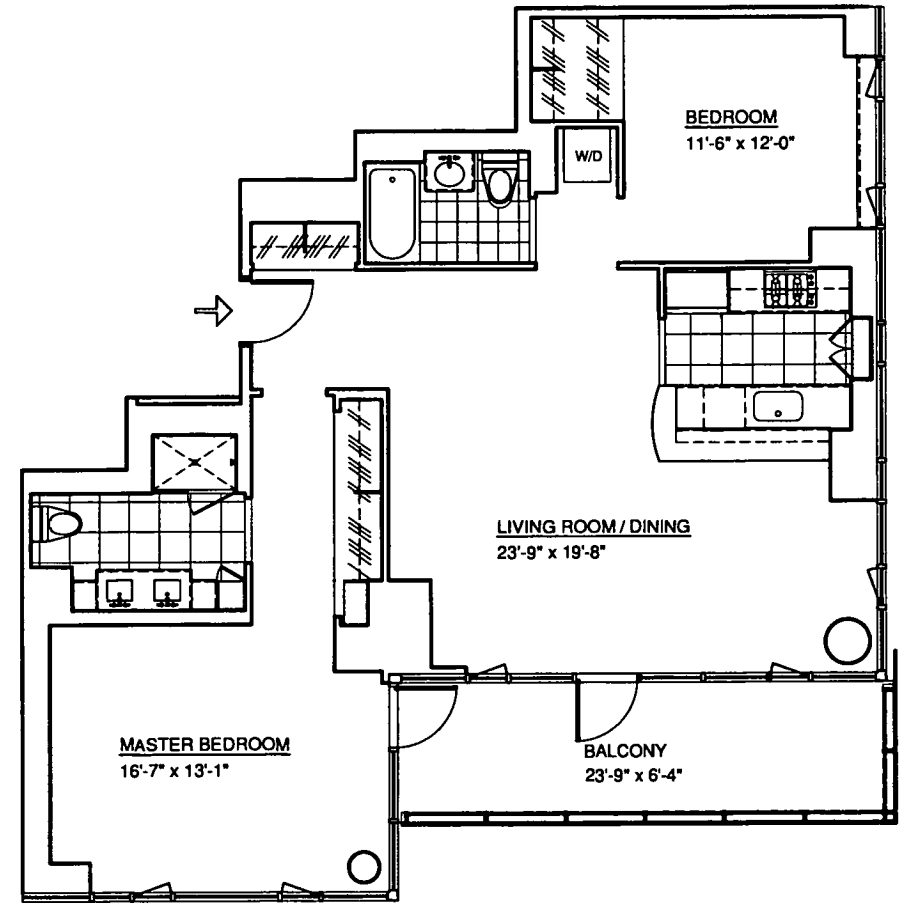
APPROX. AREA 886 sf OUTSIDE AREA 86 sf

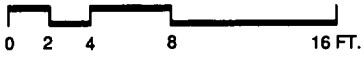
ALL DIMENSIONS ARE APPROXIMATE. PLANS, SPECIFICATIONS, AND MATERIALS MAY VARY DUE TO CONSTRUCTION, FIELD CONDITIONS, REQUIREMENTS, AND AVAILABILITIES.

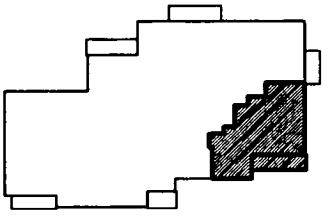
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APT. F, 26th - 42nd FLOORS

2 BEDRM 2 BATH

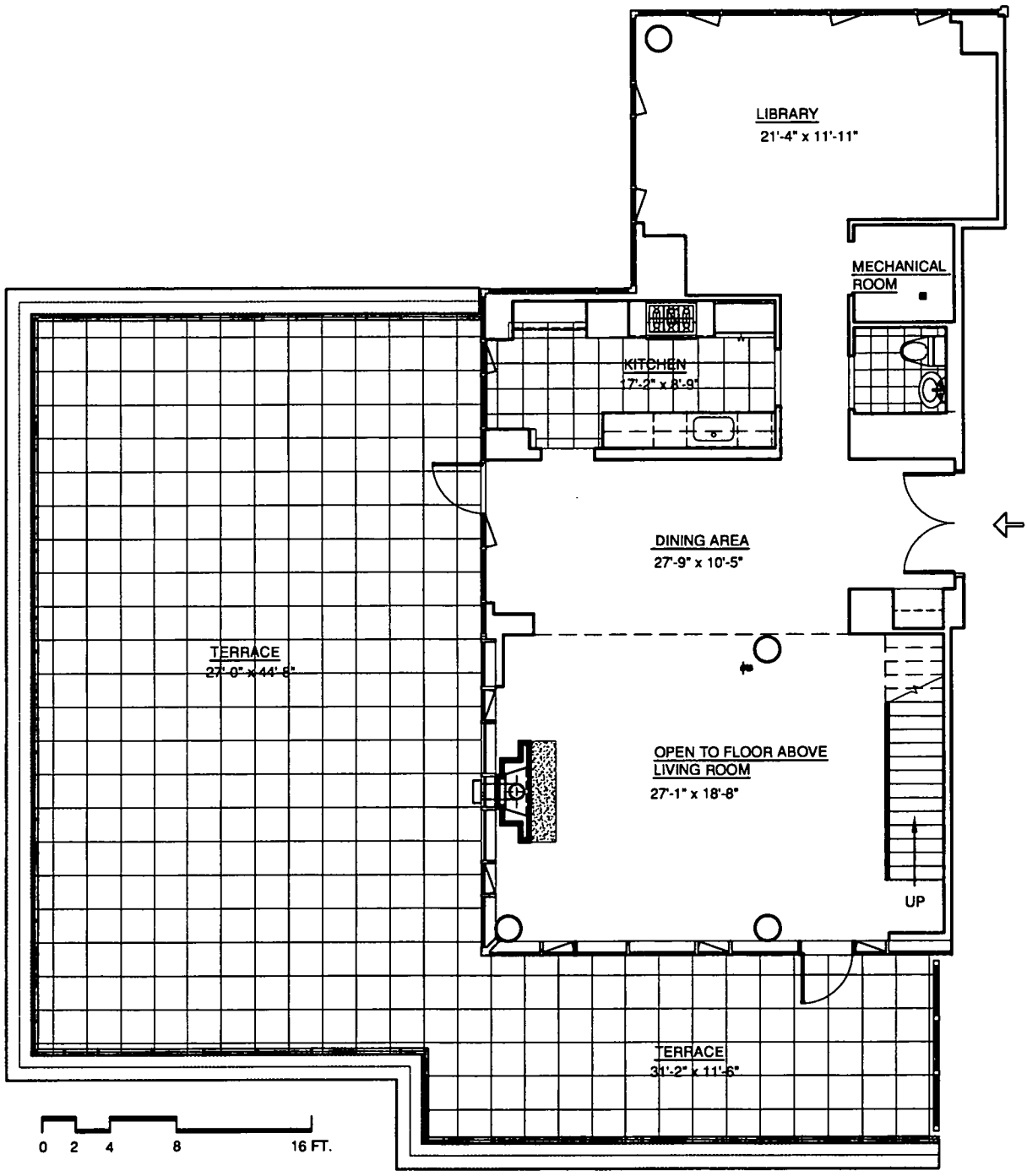
APPROX. AREA 1,221 sf OUTSIDE AREA 150 sf

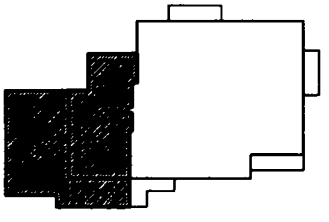
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APT. A, 43rd FLOOR LOWER LEVEL

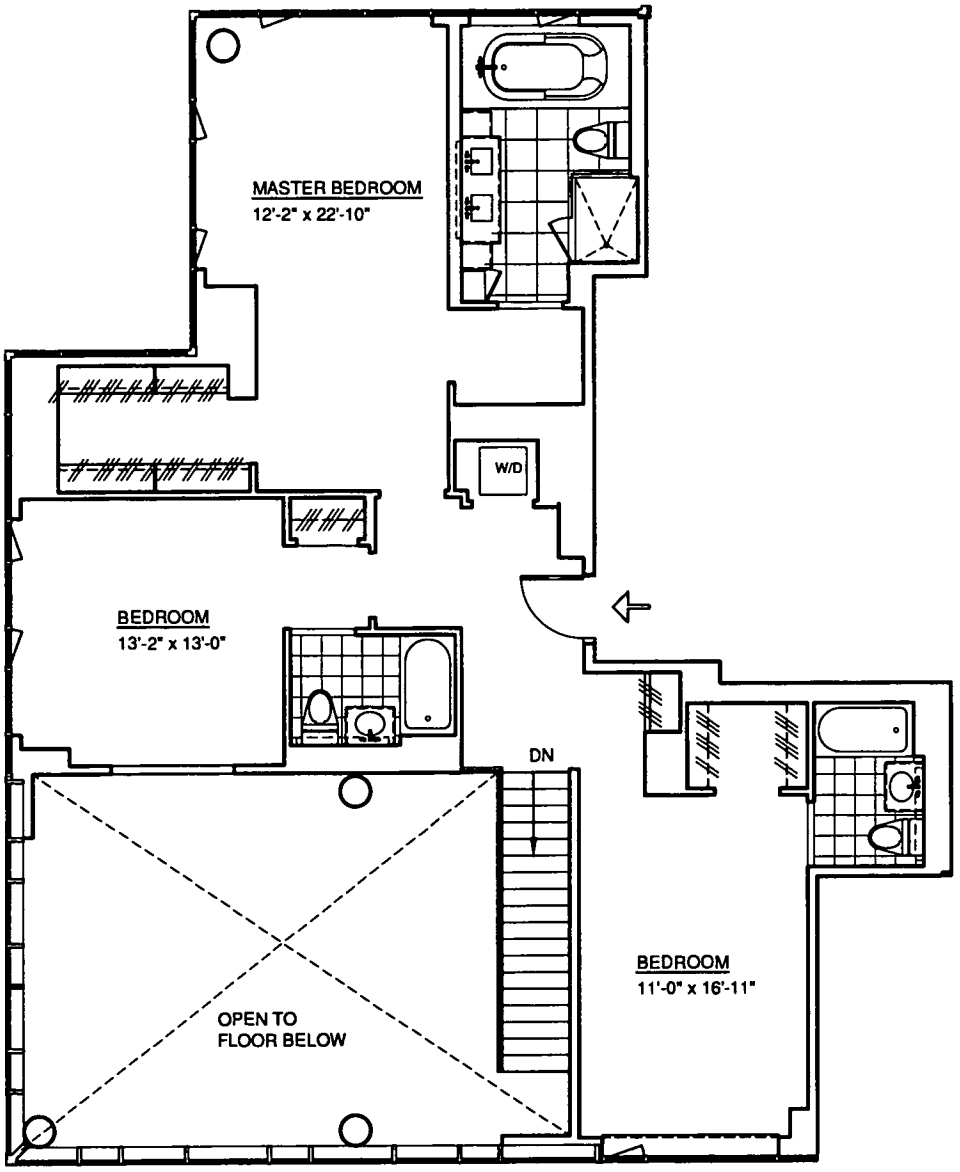
3 BEDRM 3 1/2 BATH

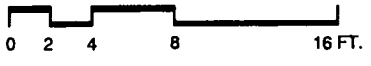
APPROX. AREA 2,792 sf OUTSIDE AREA 1,548 sf

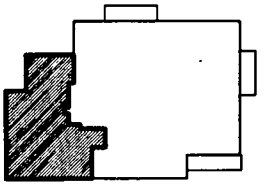
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325 FIFTH AVENUE

NEW YORK, N.Y.

APT. A, 43rd FLOOR UPPER LEVEL

3 BEDRM 3 1/2 BATH

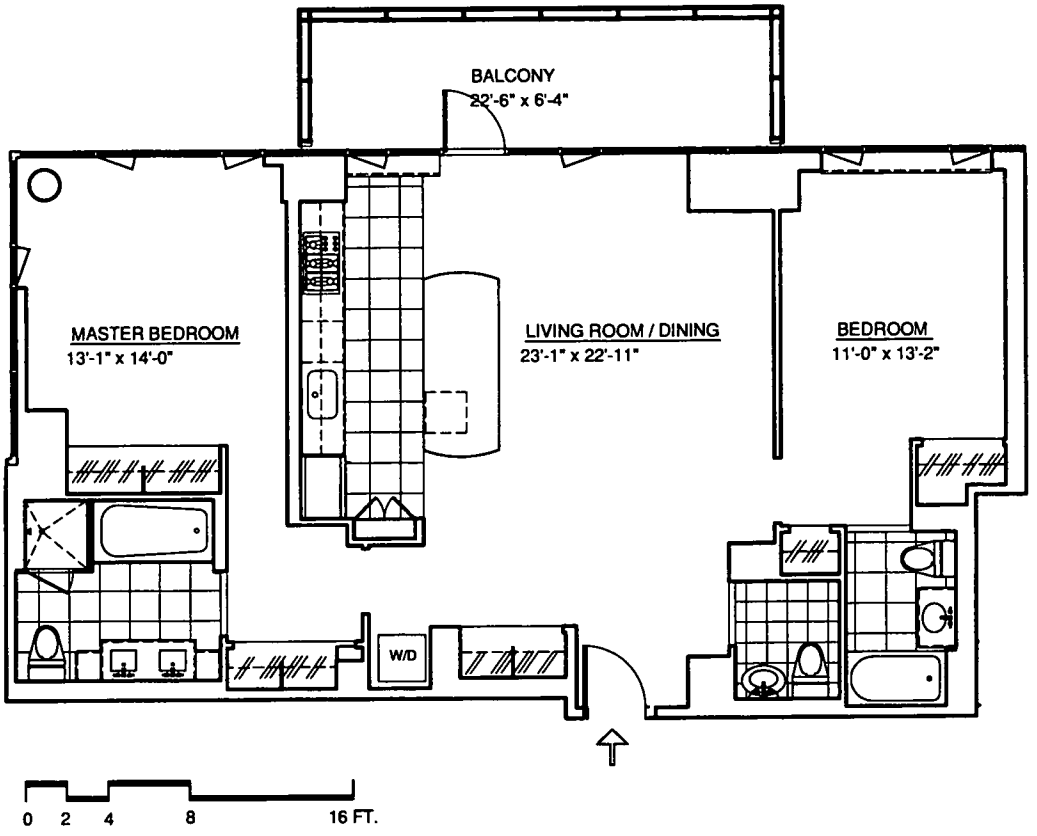
APPROX. AREA 2,792 sf OUTSIDE AREA 1,548 sf

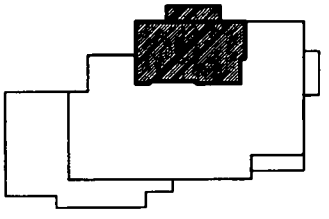
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APT. B, 43rd - 45th FLOORS

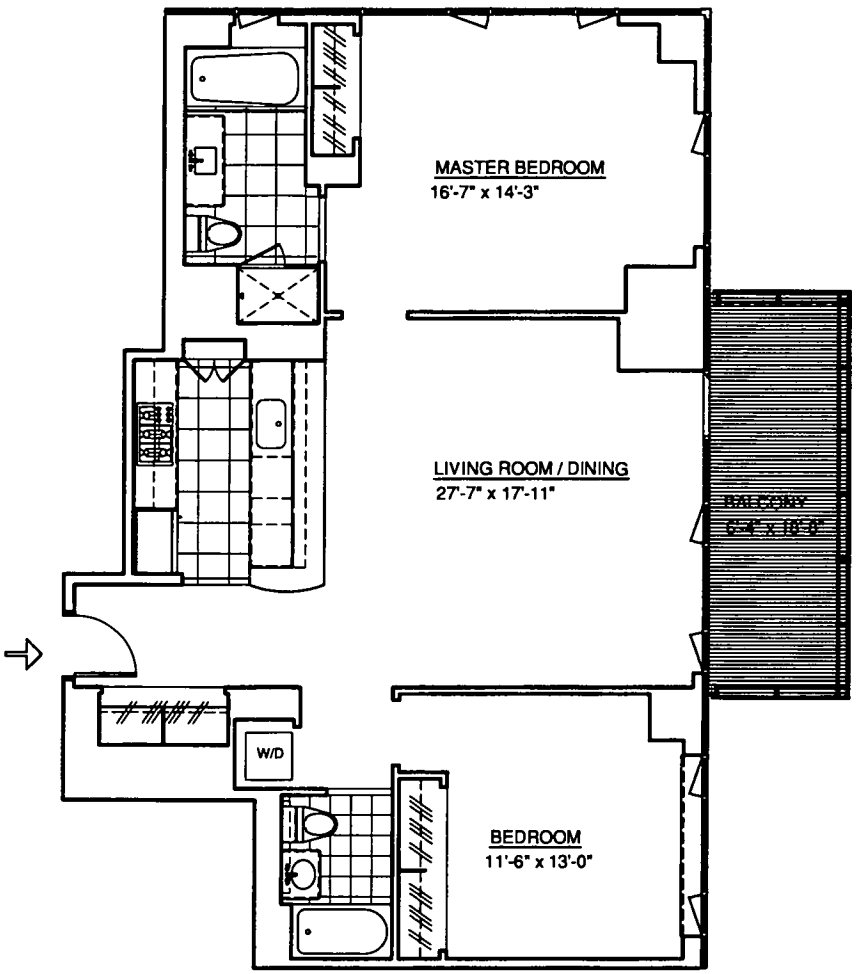
2 BEDRM 2 1/2 BATH

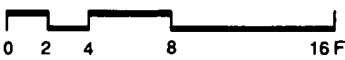
APPROX. AREA 1,317 sf OUTSIDE AREA 142 sf

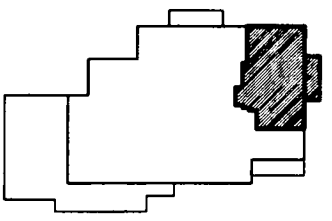
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APT. C, 43rd - 45th FLOORS

2 BEDRM 2 BATH

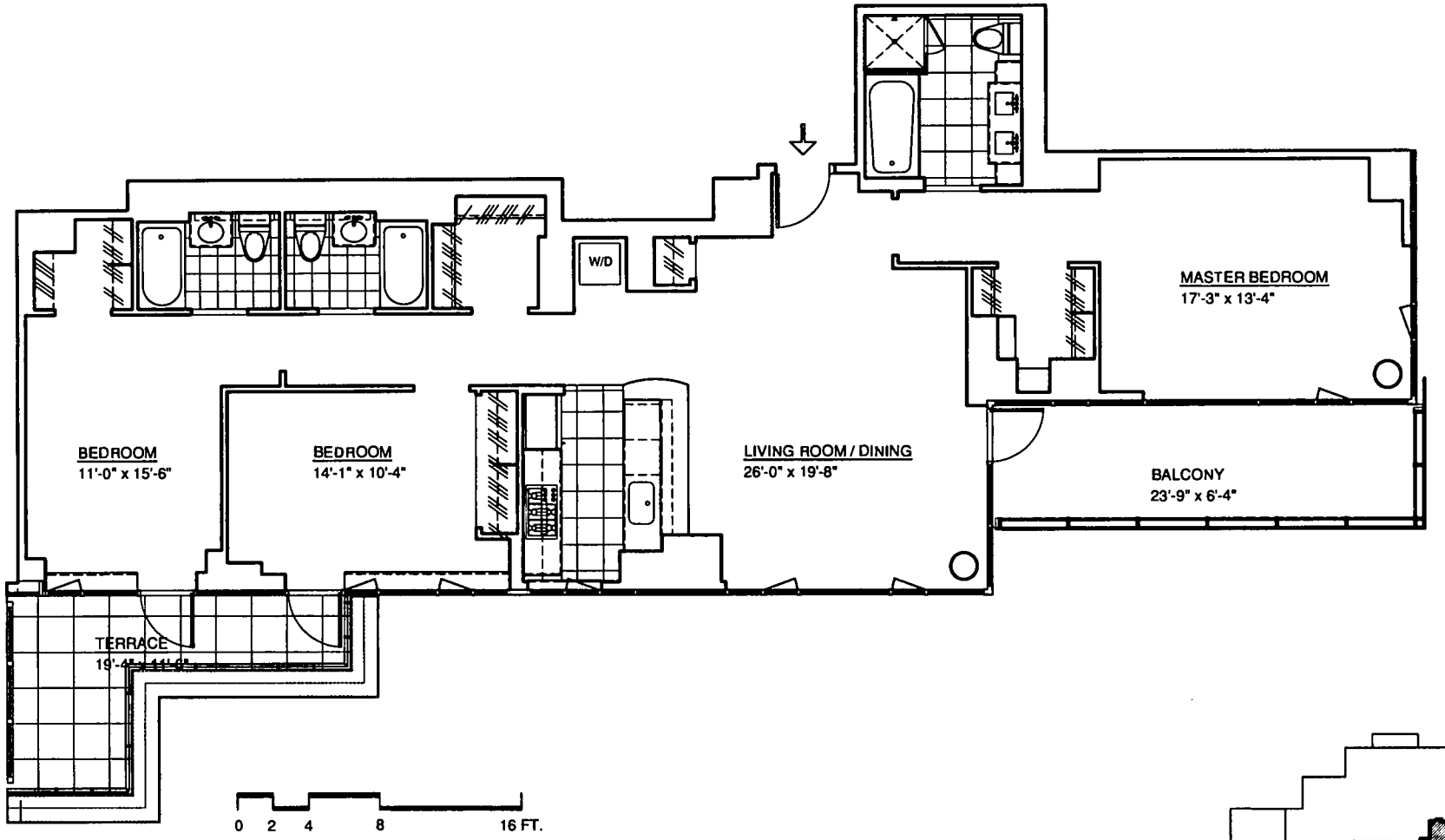
APPROX. AREA 1,242 sf OUTSIDE AREA 118 sf

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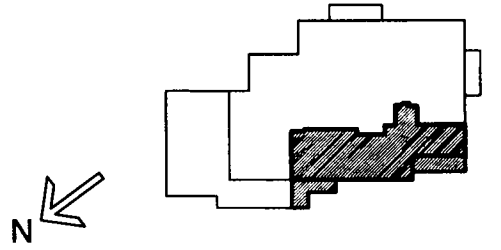
NEW YORK, N.Y.

APT. D, 43rd FLOOR

3 BEDRM 3 BATH

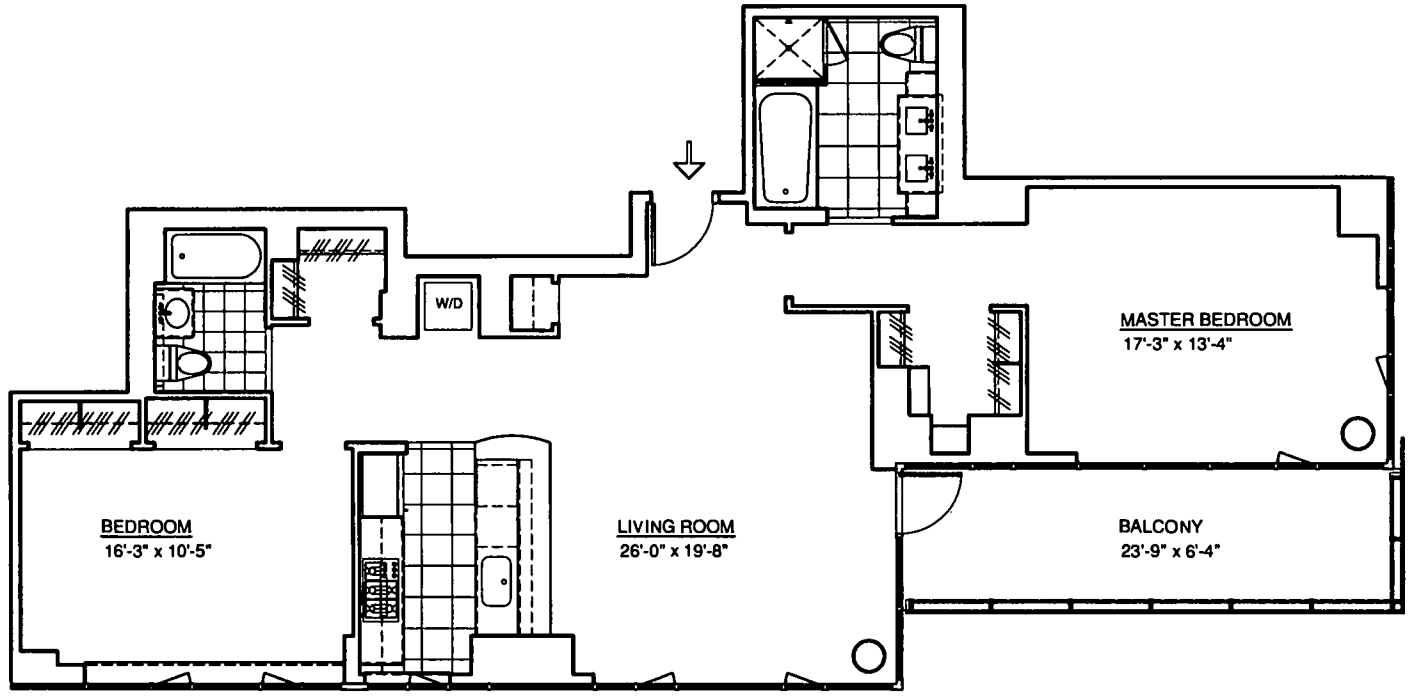
APPROX. AREA 1,643 sf OUTSIDE AREA 280 sf

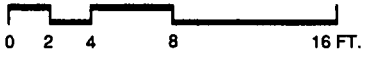
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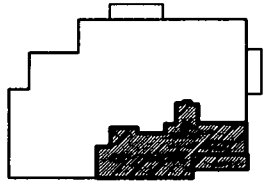


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APT. D, 44th FLOOR

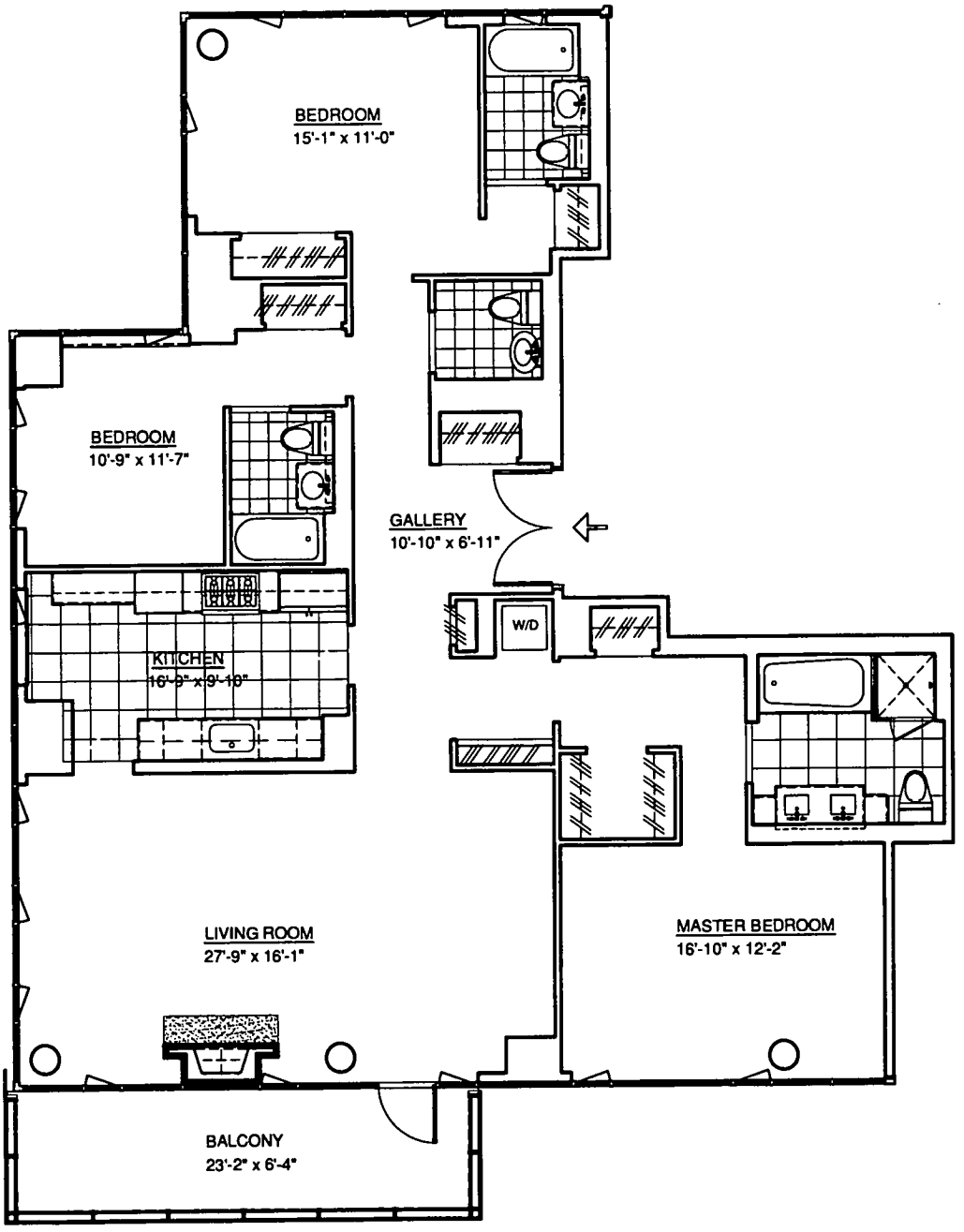
2 BEDRM 2 BATH

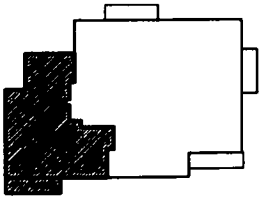
APPROX. AREA 1,338 sf OUTSIDE AREA 150 sf

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APT. A, 45th FLOOR

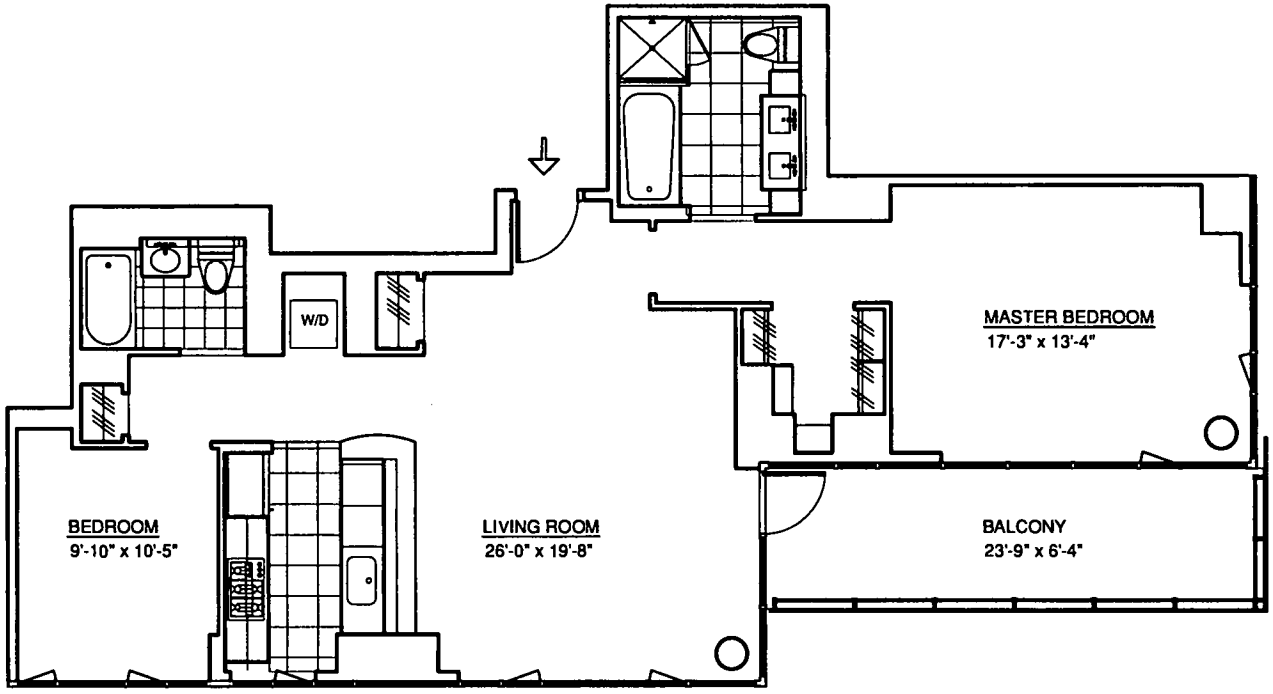
3 BEDRM 3 1/2 BATH

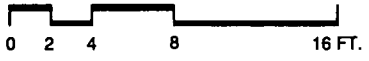
APPROX. AREA 1,911 sf OUTSIDE AREA 146 sf

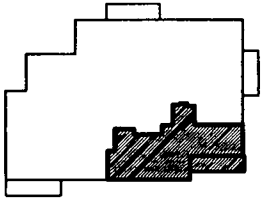
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APT. D, 45th FLOOR

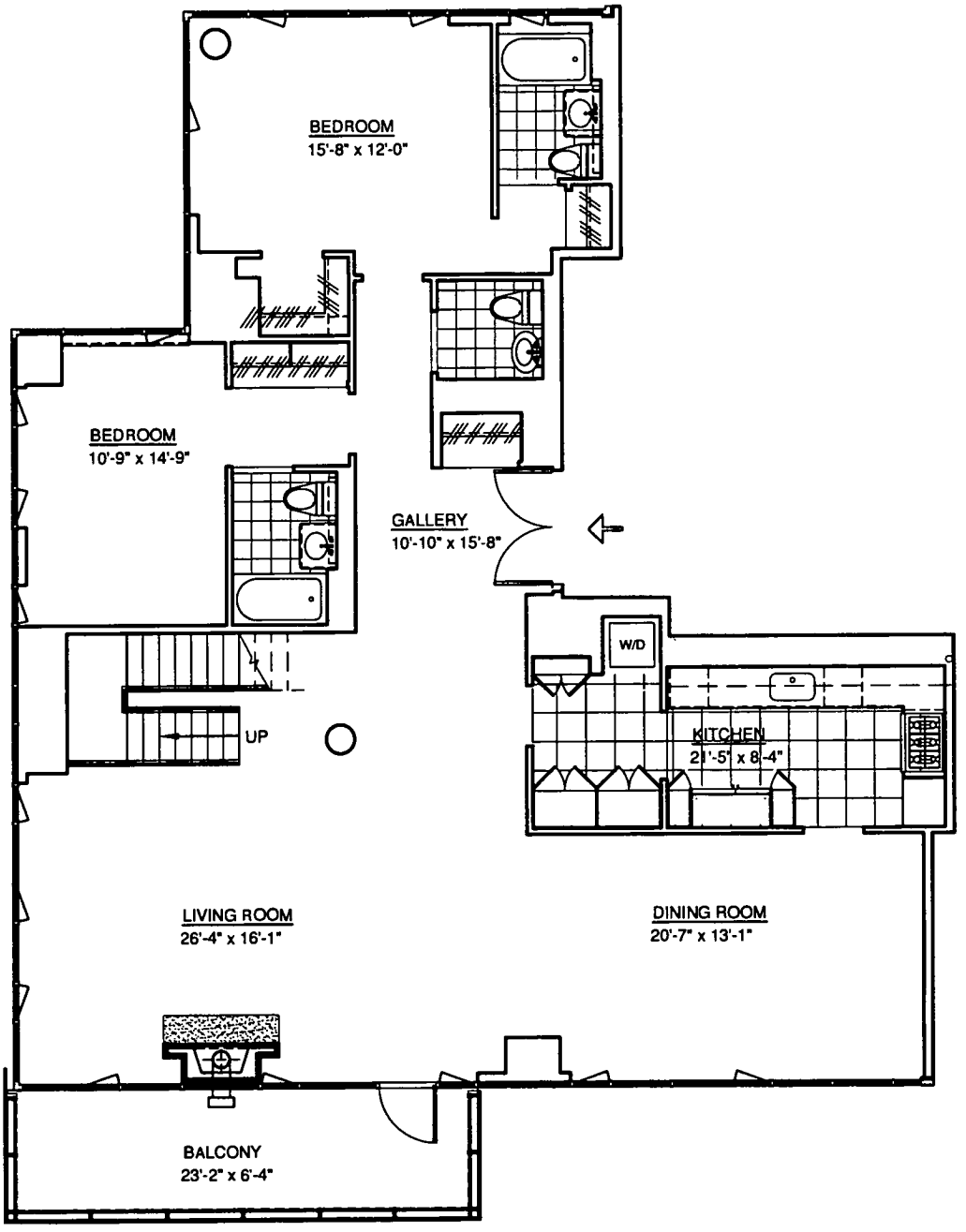
2 BEDRM 2 BATH

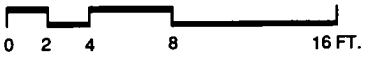
APPROX. AREA 1,214 sf OUTSIDE AREA 150 sf

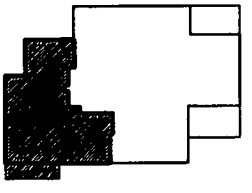
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APT. A, PH46 FLOOR LOWER LEVEL

3 BEDRM 3 1/2 BATH

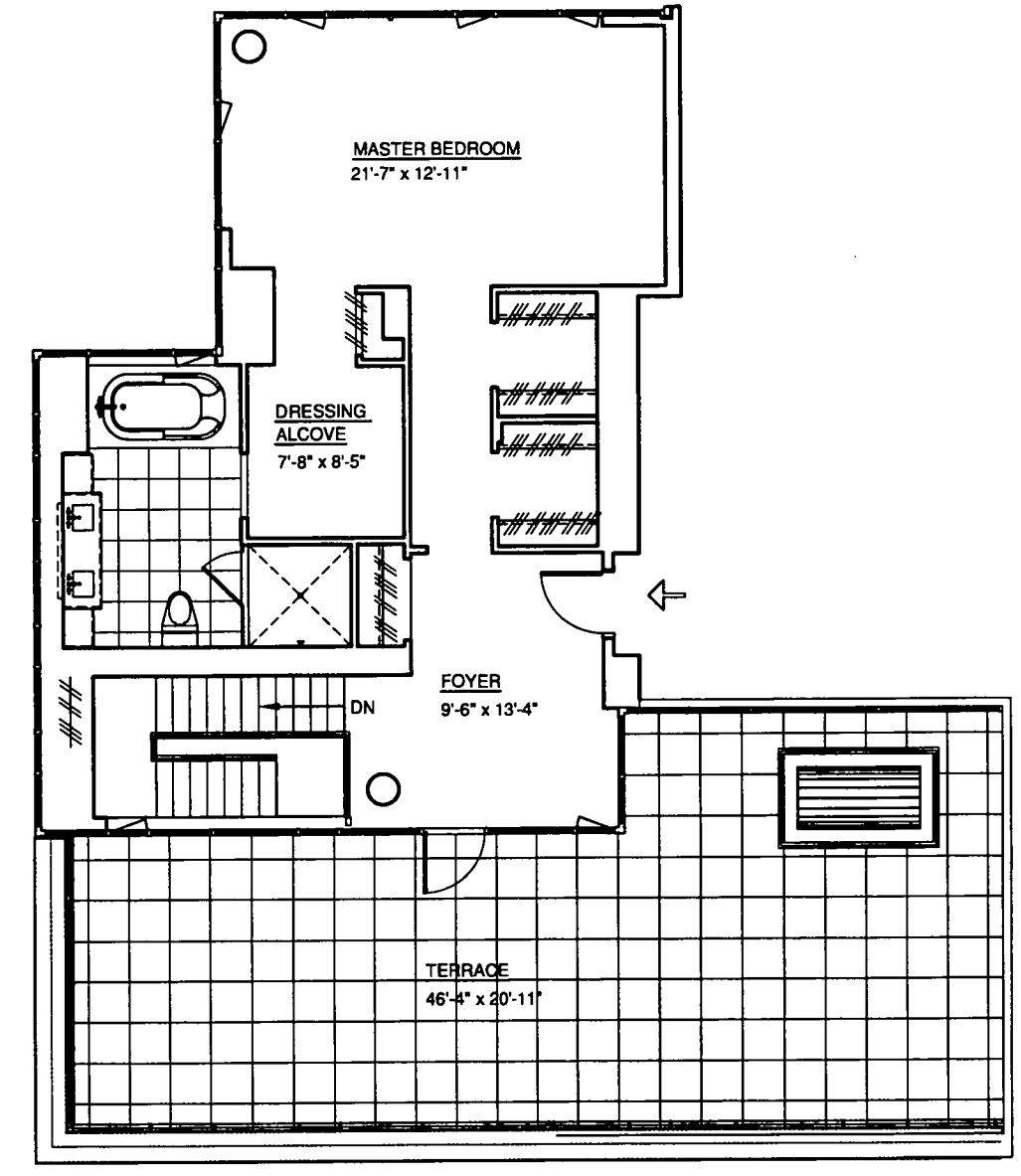
APPROX. AREA 2,983 sf OUTSIDE AREA 944 sf

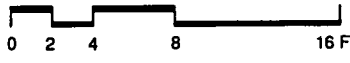
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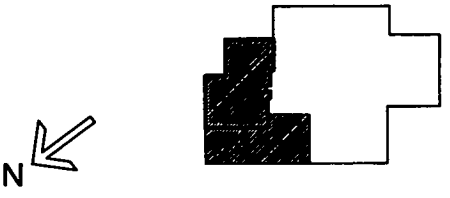
NEW YORK, N.Y.

APT. A, PH46 FLOOR UPPER LEVEL

3 BEDRM 3 1/2 BATH

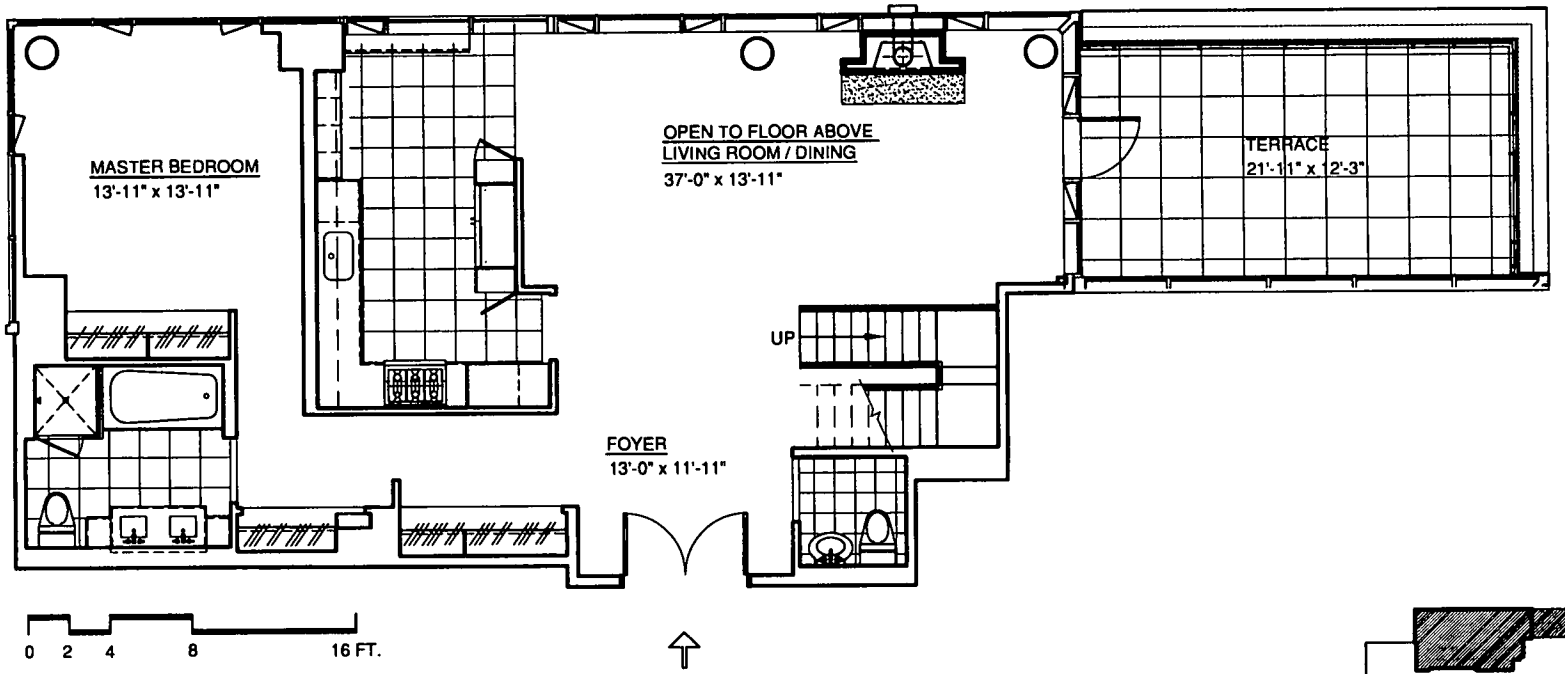
APPROX. AREA 2,983 sf OUTSIDE AREA 944 sf

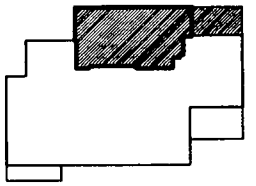
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APT. B, PH46 FLOOR LOWER LEVEL

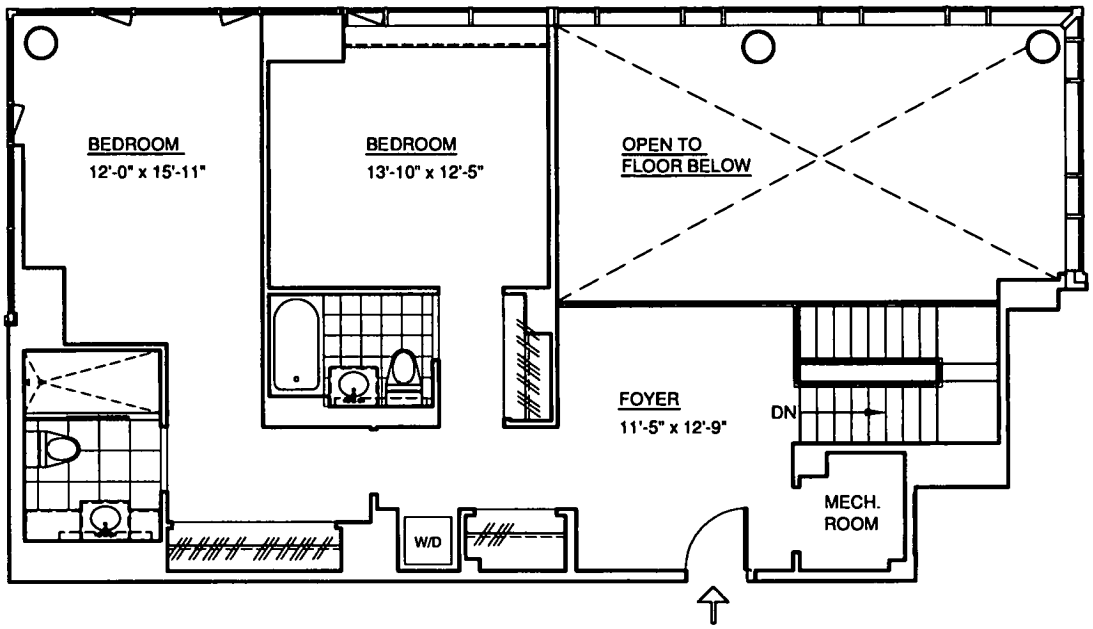
3 BEDRM 3 1/2 BATH

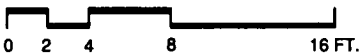
APPROX. AREA 2,389 sf OUTSIDE AREA 269 sf

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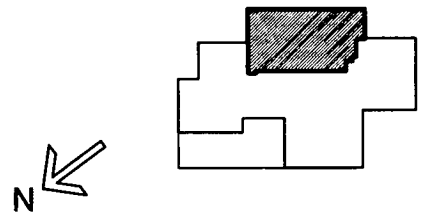
NEW YORK, N.Y.

APT. B, PH46 FLOOR UPPER LEVEL

3 BEDRM 3 1/2 BATH

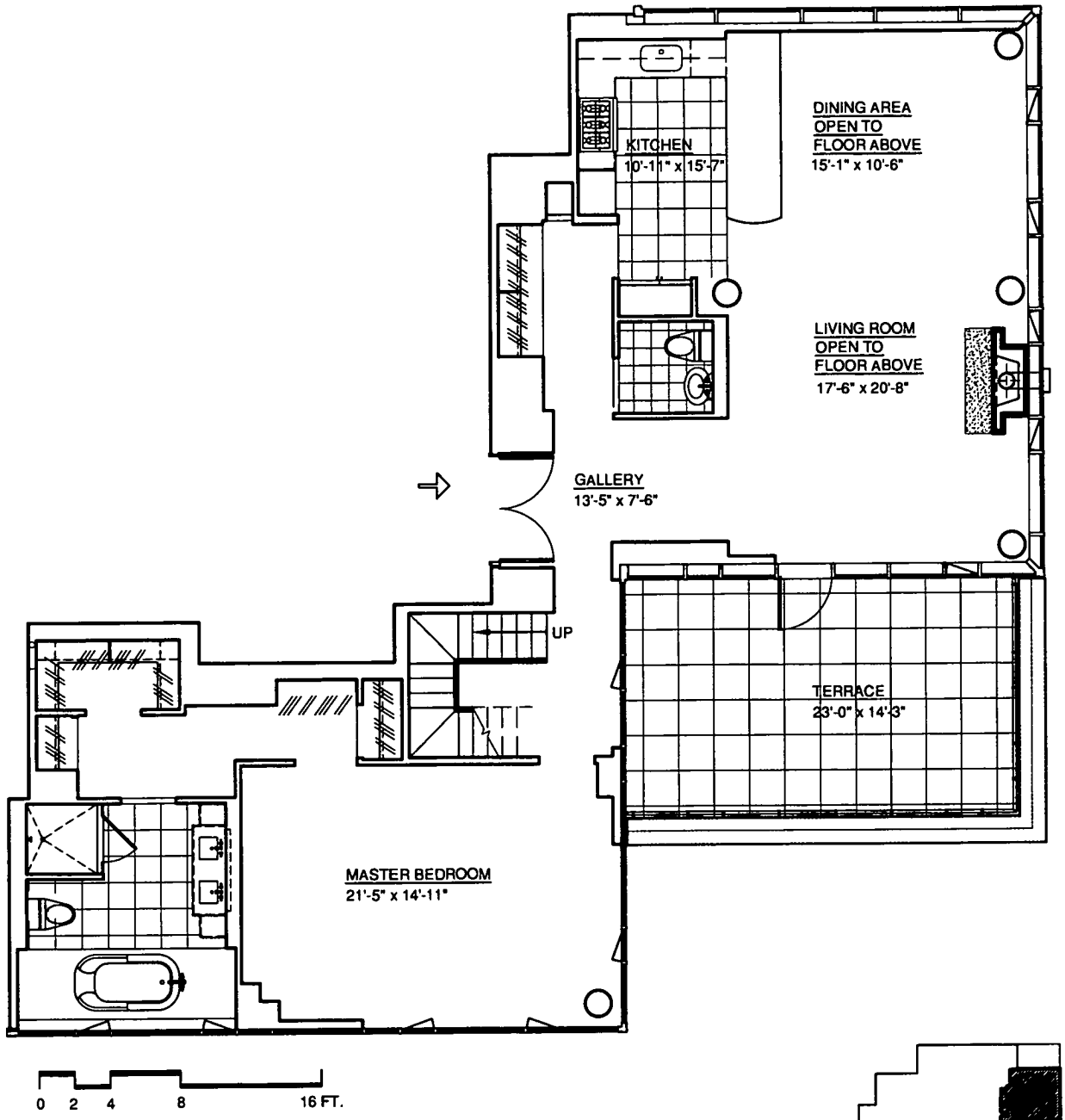
APPROX. AREA 2,389 sf OUTSIDE AREA 269 sf

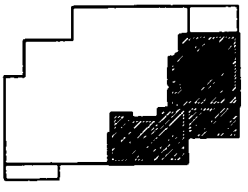
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APT. C, PH46 FLOOR LOWER LEVEL

3 BEDRM 3 1/2 BATH

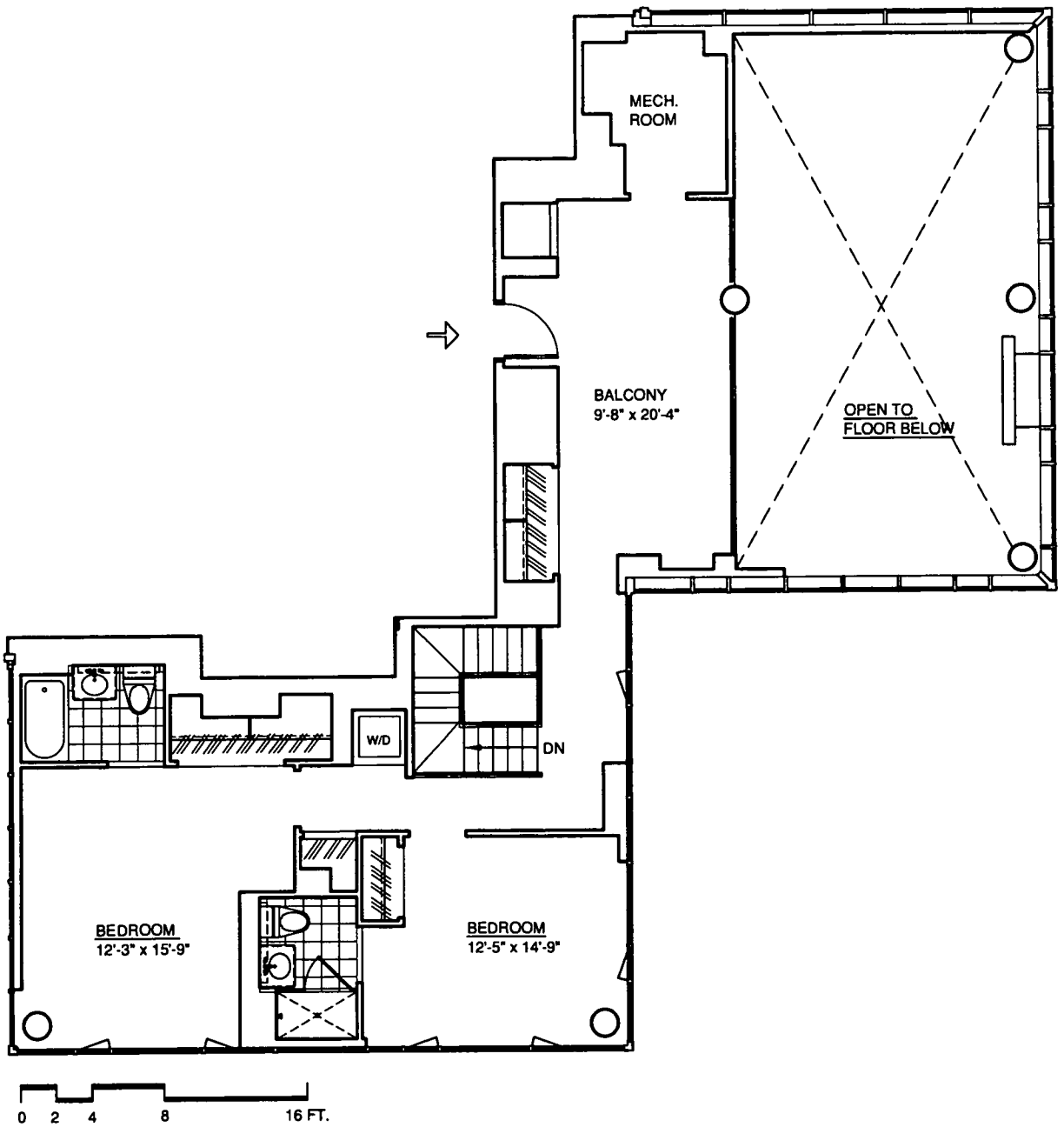
APPROX. AREA 2,940 sf OUTSIDE AREA 328 sf

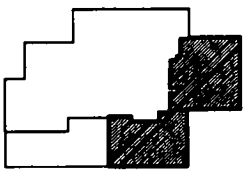
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APT. C, PH46 FLOOR UPPER LEVEL

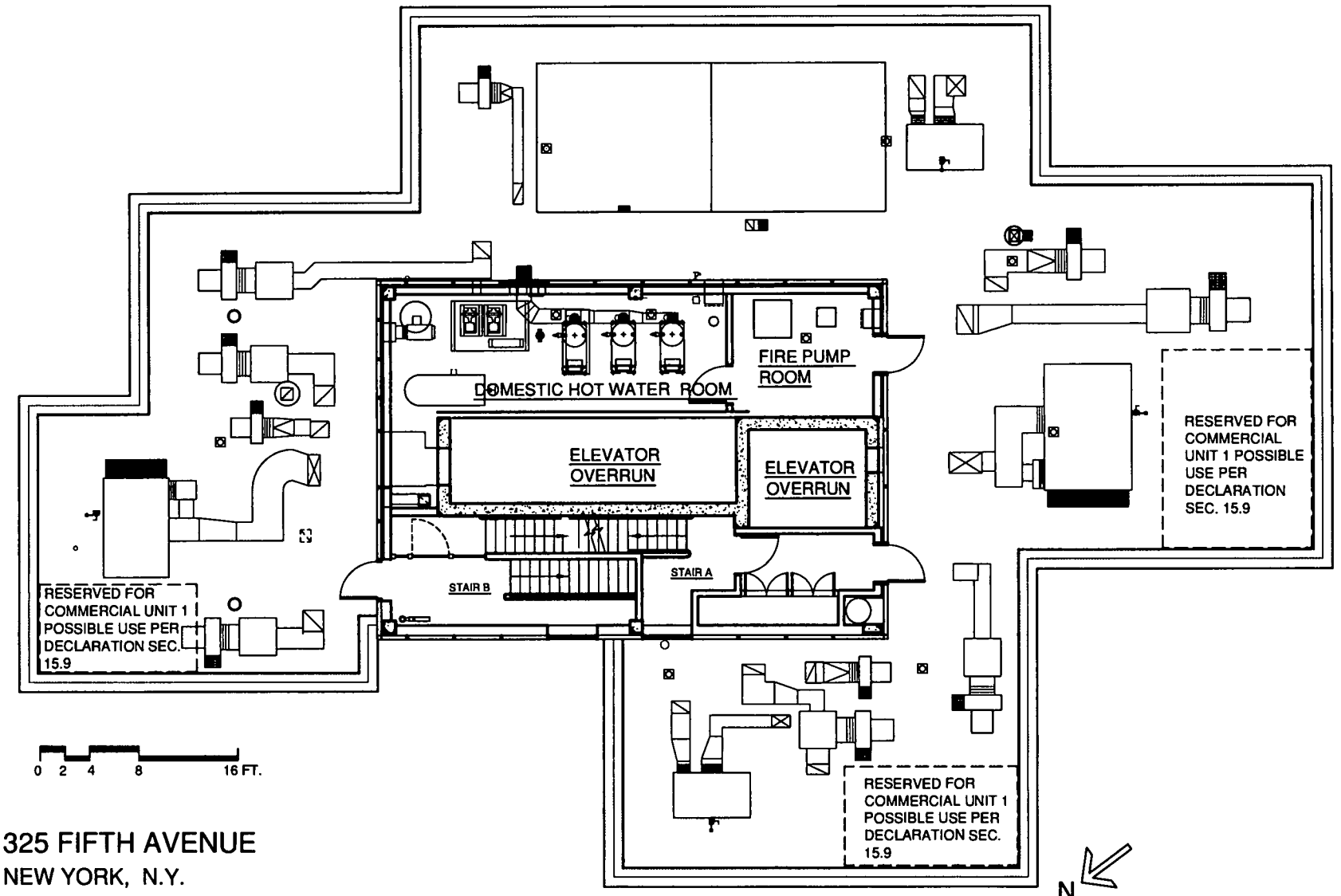
3 BEDRM 3 1/2 BATH

APPROX. AREA 2,940 sf OUTSIDE AREA 328 sf

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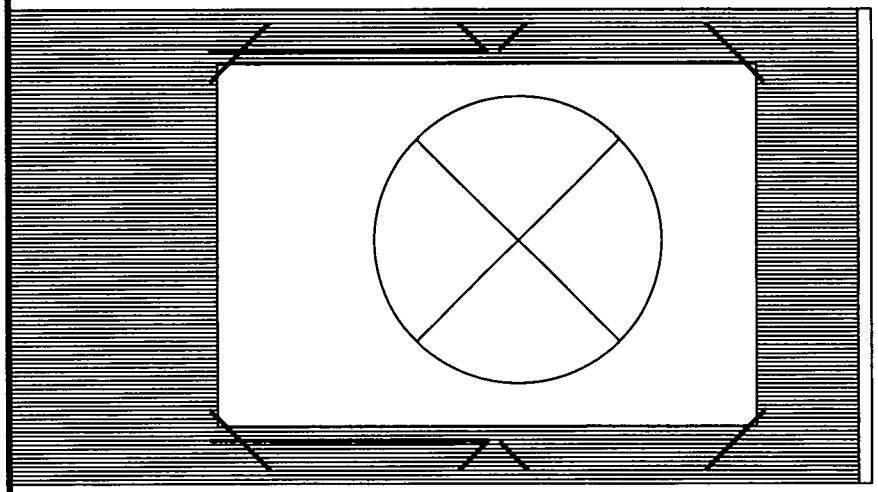
NEW YORK, N.Y.

ROOF PLAN

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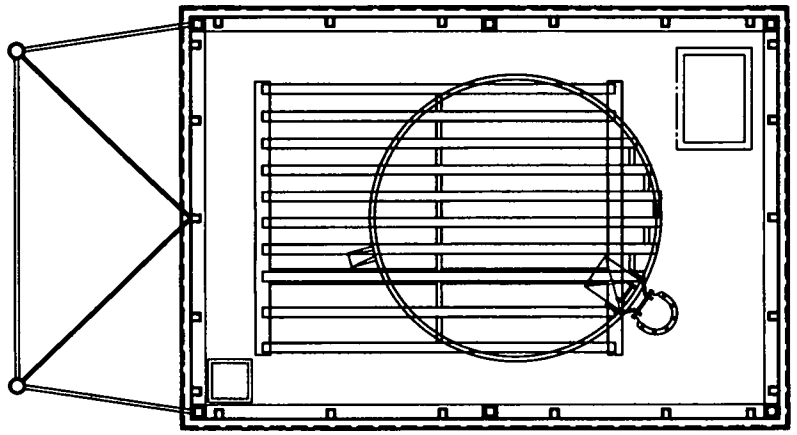
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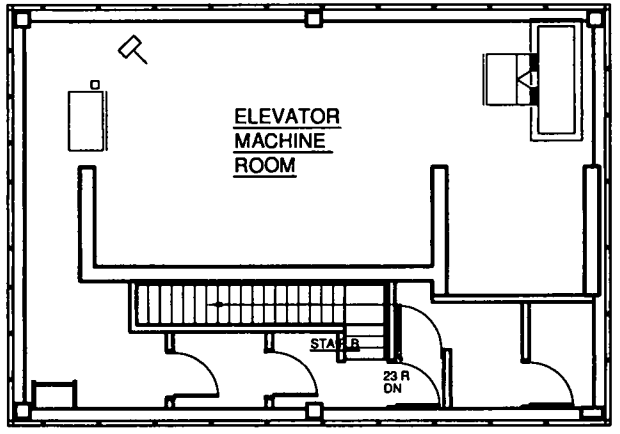


WATER TANK LEVEL ROOF

0 2 4 8 16 FT.



WATER TANK LEVEL



ELEVATOR MACHINE ROOM LEVEL

325 FIFTH AVENUE

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ROOF BULKHEAD

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EXHIBIT 7

DECLARATION OF CONDOMINIUM

DECLARATION

Establishing a Plan for Condominium Ownership
of the Premises known as 321-329 Fifth Avenue
New York, New York
Pursuant to Article 9-B of the Real Property
Law of the State of New York

Name

325 FIFTH AVENUE CONDOMINIUM

Sponsor

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

Date of Declaration

_____ ____, 200___

Block 862
(f/k/a Lots 3, 4, 8 & 73)
n/k/a Lots _____ -- _____

Borough of Manhattan

When Recorded, Return to:

Kramer Levin Naftalis & Frankel LLP
Attorneys for Sponsor
919 Third Avenue
New York, New York 10022
Attention: Jay A. Neveloff, Esq.

DECLARATION

OF

325 FIFTH AVENUE CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

CONTINENTAL RESIDENTIAL HOLDINGS, LLC, a New York limited liability company having an office c/o Douglaston Development LLC, 42-06 235th Street, Douglaston, NY 11363 ("Sponsor" or "Fee Owner"), does hereby declare as follows:

ARTICLE 1

SUBMISSION OF THE PROPERTY; BY-LAWS

1.1 Submission of Property. Sponsor hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto 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 (as the same may be amended from time to time, the "New York Condominium Act") and pursuant thereto does hereby establish a condominium to be known (subject to the provisions of this Declaration) as "325 FIFTH AVENUE CONDOMINIUM" (the "Condominium").

1.2 By-Laws. Annexed to this Declaration as Schedule C and made a part hereof are the by-laws of 325 FIFTH AVENUE CONDOMINIUM which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said by-laws, as they may be amended from time to time in accordance with the provisions hereof and thereof governing amendments, are hereinafter referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall have the meanings given to such terms in the By-Laws.

ARTICLE 2

THE LAND

Included in the Property described in Article 1 is all that certain tract, plot, piece and parcel of land described in Schedule A annexed hereto and made a part hereof (the "Land"), situate, lying and being in the City, County and State of New York. The Land is owned by Sponsor in fee simple absolute and has an area of approximately 22,618 square feet.

ARTICLE 3

THE PROPERTY

3.1 Included in the Property described in Article 1 is a building (the "Building") containing, in addition to lobbies, hallways, corridors and other service, utility and mechanical areas: (i) 250 residential units (collectively, the " Residential Units" and individually, a "Residential Unit"), located on Floors 8 through PH47 of the Building, (ii) two Commercial Units (the "Commercial Units") consisting of Commercial Unit 1 and Commercial Unit 2, comprising portions of the Floors S2, S1 and the Ground Floor of the Building; and (iii) 135 storage units (collectively, the "Storage Units" and individually, a "Storage Unit"), comprising a portion of Floor S1 of the Building.*

3.1.1 The owner of a Residential Unit is herein called a "Residential Unit Owner" and the owners of all Residential Units are herein collectively called the "Residential Unit Owners".

3.1.2 The owner of a Commercial Unit is herein called a "Commercial Unit Owner" and the owners of all Commercial Units are herein collectively called the "Commercial Unit Owners".

3.1.3 The owner of a Storage Unit is herein called a "Storage Unit Owner" and the owners of all Storage Units are herein collectively called the "Storage Unit Owners".

3.1.4 The Residential Units, the Commercial Units and the Storage Units are sometimes hereinafter referred to as the "Units" and individually as a "Unit."

3.2 The street address of the Property is 325 Fifth Avenue New York, New York 10016.

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* As shown on the Floor Plans on file at Sponsor's office and to be filed with the City Register's Office upon the recording of this Declaration, the floors of the Building are designated as S2 and S1 (below grade), Ground Floor (at grade) and Mezzanine, Club, 8 through 45 (with no 13th floor), PH46 and PH47 (above grade). All "Floor" references herein are in accordance with such floor designations. Because: (a) many floors in the Building have floor to ceiling heights which are greater than those of typical residential buildings; and (b) there is no 13th floor, the 41st construction level is referred to as Floor PH47 based upon such floor of the Building being approximately 459'-3" above street level; and the 47th floor of a typical residential condominium building having 9'-6" floor to floor heights (and no 13th floor) being approximately 437'-0" above street level. All other occupied floors of the Building (other than the Ground Floor, Mezzanine and Club) were designated in descending order through Floor 8 (which corresponds to the 4th construction level). Floor numbering in the plans for the Building filed with the New York City Department of Buildings includes references to construction levels which are not based on the actual height of the floor and therefore differ in that respect from the Floor designations of the Building as set forth above.

ARTICLE 4

THE BUILDING

The Building is classified as being of fireproof construction and is constructed of a combination of poured-in-place reinforced concrete and solid brick foundations, foundation walls, frames and slabs, with exterior walls of solid brick construction and brick or terra cotta or block back-up in same locations, and roofs consisting of insulated roof membrane assemblies. The Building has 41 stories above-ground, utility service mechanical rooms, and 2 stories below ground.

ARTICLE 5

THE UNITS

The location of each Unit is shown on and is governed by the floor plans of the Building certified by Stephen B. Jacobs Group, PC intended to be filed in the New York County office of the Register of the City of New York (the "City Register's Office") simultaneously with the recording of this Declaration (as the same may be amended from time to time, the "Floor Plans"). Schedule B annexed hereto and made a part hereof sets forth the following supplementary data with respect to each Unit necessary for the further proper identification thereof: Unit designation; tax lot number; direction in which each Unit faces; approximate square foot area; number of rooms in the residential areas; the portions of the Common Elements (as hereinafter defined) to which the Unit has immediate access; and the proportionate undivided interest in the fee simple absolute (expressed as a percentage) in the Common Elements appurtenant to such Unit.

ARTICLE 6

DIMENSIONS OF UNITS; FLOOR AREA

The approximate square foot area of each Unit is measured horizontally on each floor from the exterior side of the glass or the exterior walls, at the Building line and/or Property line to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the midpoint of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements. Columns and mechanical pipes (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Units. Measured vertically, each Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab above. Any Common Elements located within or appurtenant to any Unit shall not be considered as part of that Unit. The method of measurement is applicable to all Units. The Board, Sponsor and Sponsor's designee will each have an easement to install and maintain pipes, conduits, wires, ducts and other facilities in the space between the underside of each such floor slab and the top surface of each Unit's finished ceiling, without any need to obtain the consent of any Unit Owner with respect to the same.

ARTICLE 7

COMMON ELEMENTS

7.1 The Common Elements of the Condominium (the "Common Elements") consist of the entire Property including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all facilities* located or contained therein for the common use of the Units and the Unit Owners (except for the Limited Common Elements, as described below) or which are necessary or convenient for the existence, maintenance, operation or safety of the Property. The Common Elements are comprised of the General Common Elements and the Residential Limited Common Elements, all of which are described in Sections 7.2 and 7.3 of this Article 7, respectively, subject in all events however to any specific designation for any portion of the Property as may be reflected on the Floor Plans (whether or not consistent with the general descriptions contained in this Article).

7.2 The General Common Elements include those portions of the Building that are designated as "General Common Elements" on the Floor Plans and, to the extent not specifically identified as part of the General Common Elements on the Floor Plans, all other parts of the Property (other than those areas and items specifically identified as part of a Unit and/or the Limited Common Elements) the common use of which is necessary or convenient for the existence, maintenance, operation or safety of the Property or which benefit or serve any combination of the Residential Units (or Storage Units) and the Commercial Units. More specifically, the General Common Elements consist of the following (whether or not covered by the preceding sentence):

7.2.1 the Land, together with all easements, rights and privileges appurtenant thereto (except as otherwise expressly provided herein and except that Sponsor expressly reserves all excess air or developmental rights otherwise appurtenant to the Property and not used in connection with the original construction of the Building;

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* As used herein, the words "facility" and "facilities" include, but are not limited to, the following fixtures, apparatus, equipment, personalty, appurtenances, installations, systems and other items (grouped more or less functionally) which are set forth only for the purpose of illustrating the broad scope of those terms: convector, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, induction unit, fan coil unit, motor, pump, control, tank or tank assembly, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line duct, conduit, cable, riser, main, shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, incinerator, canopy, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, carpeting, tile, marble or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other plantings.

7.2.2 all structural elements, foundations, foundation walls, roofs (except as otherwise expressly provided herein), footings, columns, girders, beams, supports, interior load-bearing walls, floor slabs and ceilings;

7.2.3 the structures on the roof, including, without limitation, the chiller and related support structure, the cooling tower, water tank level and bulkhead roof (but excluding the mechanical room and elevator machine room);

7.2.4 all halls, passages and corridors, storage rooms (other than the Storage Units), housekeeping areas, mechanical and other rooms, all fire staircases, landings, lobbies and stairs, areas and spaces (including their respective floors, ceilings and enclosing walls) located in the Building, serving or benefiting any combination of the Residential Units (or Storage Units) and the Commercial Units, in each case other than those which are Residential Limited Common Elements or included in any Unit;

7.2.5 any ventilation supply system consisting of pumps, motors, ductwork, fans and controls and return piping, serving or benefiting any combination of the Residential Units (or Storage Units) and the Commercial Units;

7.2.6 hot water, chilled and condensed water systems;

7.2.7 all enclosing walls and doors and all mechanical equipment and associated piping and controls and all utilities and mechanical and electrical transfers and equipment serving or benefiting any combination of the Residential Units (or Storage Units) and the Commercial Units;

7.2.8 all electrical risers, feeders, lines and equipment, including incoming service, main switchgear and distribution panelboards, conduits, wires, meters, transformers and panelboards serving or benefiting any combination of the Residential Units (or Storage Units) and the Commercial Units, excluding, however, all such items located within a Unit and serving only that Unit;

7.2.9 all plumbing fixtures, equipment for distribution of cold water and equipment for producing and distributing hot and chilled water, including pumps, valves, pressure reducers, meters and water heaters and chillers, excluding, however, all such items located within a Unit and serving only that Unit;

7.2.10 all storm and sanitary sewer equipment and pipes (including vent lines, ejectors, interceptors, filters and valves), excluding, however, all such items located within a Unit and serving only that Unit;

7.2.11 all electric service rooms, gas, steam and water meter rooms, Building storage rooms (other than Storage Units), workrooms, locker rooms, telephone rooms and other service, mechanical and utility rooms serving or benefiting any combination of the Residential Units (or Storage Units) and the Commercial Units;

7.2.12 all other facilities of the Building (including shafts, pipes, wires, ducts, vents, flues, cables, conduits and lines) which serve or benefit or are necessary or

convenient for the existence, maintenance, operation or safety of any combination of the Residential Units (or Storage Units) and the Commercial Units;

7.2.13 the Plaza (excluding the residents' courtyard, which is a Residential Limited Common Element);

7.2.14 all security monitors and equipment and other security facilities serving or benefiting any combination of the Residential Units (or Storage Units) and the Commercial Units; and

7.2.15 all other parts of the Property either existing for the common use of any combination of the Residential Units (or Storage Units) and the Commercial Units, or their respective Unit Owners or that are necessary or convenient for the existence, maintenance, operation or safety of the Property.

7.3 The Residential Limited Common Elements consist of those portions of the Property designated on the Floor Plans as Residential Limited Common Elements; and also those Common Elements which exclusively serve or exclusively benefit all or a combination of the Residential Units (or Storage Units) or the Residential Unit Owners (or Storage Unit Owners) (i.e., and not the Commercial Units or the Commercial Unit Owners) whether or not designated as Residential Limited Common Elements (or designated at all) on the Floor Plans (but excluding any items therein or in the Building which are not part of the Property, including, without limitation, any equipment, wiring and devices owned by telephone, television and telecom providers). The Residential Limited Common Elements include, without limitation, the following:

7.3.1 the residential lobby and entrance entered from Fifth Avenue, the service entrance off East 32nd Street, bike storage room, mail room, package room, Resident Manager's office, rubbish room, and the accessway to the service elevators leading therefrom all located on the Ground Floor;

7.3.2 all halls, passages, corridors, storage rooms (excluding the Storage Units), housekeeping areas, mechanical and other rooms, areas and spaces (including their respective floors, ceilings and enclosing walls) located in the Building which exclusively serve or benefit the Residential Units and/or Storage Units and are not part of any Unit;

7.3.3 those stairs and stairways in the Building shown on the Floor Plans as Residential Limited Common Elements (and excluding those stairs, stairways and fire stairways in the Building shown on the Floor Plans as constituting part of another Common Element or Unit);

7.3.4 the three passenger elevators (PE1, PE2 and PE3) and the two service elevators (SE1 and SE2), in each case including the elevator cabs, overruns, bulkheads, shafts, pits, tanks, pumps, motors, fans, compressors, control and other related equipment in connection therewith, but excluding the walls of such elevator shafts (which are General Common Elements);

7.3.5 the mechanical room and elevator machine room on the roof;

7.3.6 smoke detection alarm system, telephone system and cable television system;

7.3.7 all security monitors and equipment and other security facilities serving or benefiting only the Residential Units and Storage Units;

7.3.8 the pool, health club, club room, screening room, business center, children's playroom, spa center and covered balcony and other residential amenities located on the Club Floor and dedicated for use solely by occupants of Residential Units;

7.3.9 all other systems, installations and facilities of the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which exclusively serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Units and/or the Storage Units;

7.3.10 fireplace flues serving any Residential Units;

7.3.11 the Fifth Avenue Club terrace on the Club Floor and the residents' courtyard on the Ground Floor adjacent to the Plaza;

7.3.12 the laundry facility located on Floor S1; and

7.3.13 the balcony or terrace appurtenant to any particular Residential Unit (although the benefited Residential Unit Owner shall have the responsibilities with respect thereto as are set forth in the By-Laws).

ARTICLE 8

USE OF UNITS AND COMMON AREA

8.1 As more particularly set forth and described in the By-Laws, except as otherwise herein and in the By-Laws or by applicable law or court order expressly provided, Residential Units may be used only for residential purposes and, subject to compliance with the By-Laws, for a lawful home occupation. Residential Units may be owned or leased by an individual, corporation, partnership limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments). Residential Units may only be occupied by (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit Owner or permitted lessee; (iii) any partner or employee of any partnership, which is a Residential Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company, which is a Residential Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Residential Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Residential Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Residential Unit and is not being designated to use the Residential Unit on a transient basis or as other than the primary occupant;

and (B) such use is not, in fact or in effect, part of or in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic partners, domestic employees and/or non-paying guests of any of the foregoing. Residential Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

8.2 Notwithstanding the foregoing or anything contained herein, in the By-Laws or the Rules and Regulations to the contrary, Sponsor or its designee may, without the permission of the Board use or grant permission for the use of any Unsold Unit (as hereinafter defined) for any purpose, including, but not limited to, the use of any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations as to any such use.

8.3 Commercial Units 1 and 2 may be operated for any legally permitted commercial use as approved by the Board of Managers. No income derived from any use of the Commercial Units will constitute income to the Board or any other Unit Owner.

8.4 The Storage Units may be purchased only by Residential Unit Owners, and such purchased Units used only by occupants of the Residential Units and only for storage of the personal effects of the owners or tenants thereof, provided that no article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants of the Building, or that shall cause the dissemination of noxious odors, dirt or other sanitary problems or otherwise create a nuisance, shall be permitted to be brought into or stored in any Storage Unit.

8.5 (a) Except as otherwise provided in the By-laws: (i) the Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited; and (ii) Terraces may be used only for purposes commensurate with the uses permitted of the Units to which they are appurtenant.

(b) Subject to any easements (exclusive or otherwise) and/or rights of access provided in this Declaration with respect to the Common Elements, neither the Board nor any Unit Owner shall impede the exercise of or encroach upon the rights of the other Unit Owners or anyone claiming, by, through or under them, including, but not limited to, the occupants of the Units and their respective invitees, to use the same.

(c) No nuisance shall be allowed in the Property nor shall any use or practice be allowed in the Property which interferes with the peaceful possession or proper use thereof by the Unit Owners or the occupants of their respective Units. No improper, offensive or unlawful use shall be made of the Property or any portion thereof. All Legal Requirements relating to any portion of the Property shall be complied with at the sole expense of whichever of the Unit Owners or the Board shall have the obligation pursuant to the By-Laws or this Declaration to maintain or repair such portion of the Property.

ARTICLE 9

CHANGES IN UNSOLD UNITS

Except to the extent prohibited by applicable Legal Requirements and subject to the Bylaws, Sponsor or its designee shall have the right, at any time and from time to time, without prior notice and without the vote or consent of the Board or any other Unit Owner or any mortgagee to: (a) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Units ("the Unsold Units") at the time owned by Sponsor or its designee (the term "Sponsor," or similar term, as used in this Declaration and in other Condominium documents, shall mean any affiliate* of Sponsor); (b) change the layout of, or number of rooms in, any Unsold Unit from time to time; (c) change the size and/or number of Unsold Units by subdividing one or more such Units into two or more separate Units, combining separate Unsold Units (including those resulting from a subdivision or combination or otherwise) into one or more Units, altering any boundary walls between any Unsold Units, and/or incorporating within any Unsold Unit the use of any portion of the Common Elements adjacent thereto (but only to the extent that such Common Elements are not required to be maintained as Common Elements based upon such alterations); (d) if appropriate, reapportion among the Unsold Units affected by any such change in size or number pursuant to the preceding clause (c), their percentage interests in the Common Elements; provided, such changes are in compliance with Section 339 of the New York Condominium Act and, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto in writing; and (e) change the permitted use of some or all of the Unsold Storage Units; provided, however, that any such alteration, addition, improvement, change, reapportionment or redesignation shall not cause the Property or any portion thereof not to comply with any laws, ordinances and regulations of any governmental authorities having jurisdiction, and Sponsor (or its designee) shall hold the Board and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Article 9 may not be added to, amended, modified or deleted without the prior written consent of Sponsor or its designee.** Notwithstanding the other provisions of this Article 9, no reapportionment of the interests in the Common Elements appurtenant to any Unit shall be made unless there is first delivered to the Board a written certification stating that the percentage interests of the respective Units in the Common Elements, immediately after such reapportionment, have been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or

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* As used in this Declaration and the By-Laws, an affiliate of Sponsor shall be deemed to be a person or entity who or which (i) owns 25% or more of the legal or beneficial interest of Sponsor, (ii) an entity with respect to which Sponsor owns 25% or more of the legal or beneficial interest; or (iii) otherwise possesses the power to direct the management and policies of Sponsor or the distribution of its profits.

** Wherever the consent, approval or satisfaction of Sponsor or its designee is required under this Declaration or the By-Laws, such consent, approval or satisfaction shall not be required when there are no Unsold Units.

shared use, and the overall dimensions of the particular Unit. The certification referred to herein shall be delivered, at Sponsor's election, by Sponsor, the managing agent of the Condominium (the "Managing Agent") or any other person reasonably acceptable to the Board, in the case of any Unsold Unit, and by either the Managing Agent or any other person reasonably acceptable to the Board, in the case of any other Unit.

ARTICLE 10

CHANGES BY THE COMMERCIAL UNIT OWNERS

10.1 Except to the extent prohibited by law, each of the Commercial Unit Owners shall have the right, without the vote or consent of the Board, the Managing Agent or any other Unit Owner to: (a) mortgage or otherwise hypothecate its Unit: (b) decorate or make alterations, additions or improvements, in, to and upon its Commercial Unit (provided, however, that such Commercial Unit Owner, if other than Sponsor or its designee, must obtain the prior consent of the Board, which consent shall not be unreasonably withheld, to any alterations, additions or improvements to its Commercial Unit which would affect the structural, mechanical, electrical or plumbing elements of the building); (c) change the layout of, or number of rooms in, its Commercial Unit form time to time; (d) change the size of its Commercial Unit by subdividing the same into any desired number of condominium units (or by combining any units resulting from each such subdivision); and (e) reapportion among the newly created condominium units resulting from any subdivisions (or combination) their percentage interests in the Common Elements, provided such changes are in compliance with Article 9-B, Section 339 of the New York Condominium Act; provided, however, that (1) the percentage interest in the Common Elements of any Unit owned by any other Unit Owner shall not be changed by reason thereof, unless the owner of such Units shall consent thereto, and (2) such Commercial Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall hold the Board and all other Unit Owners harmless from any liability arising from any such decoration, alteration, addition, improvement, change, designation or reapportionment.

10.2 The Commercial Unit Owners shall each have the unilateral right with regard to its Unit to amend the Declaration in order to reflect changes as set forth above in paragraph 10.1, or to cause the Board to do so. If any of the Commercial Units are subdivided or combined, the owner of each Unit resulting from a subdivision or combination will generally have all of the rights (without the consent of the Board or other Unit Owners) set forth above in paragraph 10.1, described as pertaining to the Unit Owner of the original Commercial Unit or Units in question.

ARTICLE 11

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York (the "Secretary of State") is hereby designated to receive service of process in any action which may be brought against the Condominium or the Board. The Condominium and the Board shall each notify the Secretary of State of the address to which a copy of any process received should be mailed.

ARTICLE 12

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

The Common Interest of each Unit has been determined, pursuant to Section 339-i(1)(iv) of the Condominium Act. In accordance with such method of calculation, the Common Interests have been determined based primarily upon a comparison of the floor areas of the Units, 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 the Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The aggregate Common Interests of all of the Units equals 100%.

ARTICLE 13

ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements, or (c) any encroachment shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration made to the Common Elements in accordance with the terms of this Declaration and the By-Laws by, or with the consent (when required by the By-Laws), of the Board, or made by Sponsor or its designee, as the case may be, or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand (or during any period in which it is being rebuilt or restored, in accordance with the By-Laws, following any such fire or other casualty, taking or eminent domain proceeding); provided that in the case of any such encroachment described in subparagraph c (ii) or (iii) above, such encroachment does not unreasonably interfere with the use of any of the Units for their permitted purposes and/or the use of the Common Elements for their intended purposes.

ARTICLE 14

FACILITIES AND ALL OTHER COMMON ELEMENTS

Except as may otherwise be expressly set forth herein or in the By-Laws, each Unit Owner shall have, and is hereby granted, in common with all other Unit Owners, an easement to use any and all Common Elements (excluding the Limited Common Elements) located anywhere on the Property without hindering the exercise of or encroaching upon the rights of the other Unit Owners in respect of such easement. Each Unit shall be subject to an easement in favor of the Board, on behalf of all Unit Owners, to use, operate, maintain, repair, alter, rebuild, restore and replace all Common Elements located in such Unit or elsewhere on the Property. In addition, Sponsor (or its designee) and the Board shall have the right to erect scaffolding on or upon any of the Terraces for a temporary period of time in connection with

maintenance and repairs of the Building and its Common Elements. The Board and any managing agent, manager and other persons authorized by the Board shall have a right of access to each Unit and any Residential Limited Common Element appurtenant to such Unit, whether exclusive or not, (and such is hereby granted) to inspect the same or remove violations of governmental laws or regulations against any part of the Property; to cure defaults by the owner of such Unit under the By-Laws, this Declaration or the Rules of Regulations; to perform maintenance, installations, alterations, repairs or replacements to the mechanical, plumbing or electrical systems or other portions of the Common Elements (including, without limitation, all Limited Common Elements) contained therein or elsewhere in the Property; or correcting any conditions originating in any Unit and threatening another Unit or any Common Element; provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of any "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building).

ARTICLE 15

EASEMENTS

15.1 Each Unit Owner shall have, in common with all other Unit Owners, and each Unit shall be subject to, an easement: (a) to install, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property; and (b) to maintain any encroachment on any Unit or the Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Units or the Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use of the Residential Units or Storage Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.

15.2 Each Residential Unit Owner of a Unit with a Terrace, Garden and/or Storage Unit appurtenant thereto shall have an easement for the exclusive use of such Terrace, Garden and/or Storage Unit, which use shall be subject to the terms and conditions of this Declaration and the By-Laws. Each Terrace, Garden and/or Storage Unit (and the Unit to which such Terrace, Garden and/or Storage Unit is appurtenant) shall be subject to the easement(s) in favor of Sponsor and the Board as set forth herein.

15.3 Each Unit Owner shall have, to the extent reasonably necessary, in common with all other Unit Owners, an easement for ingress and egress to and from its Unit, and, to the extent reasonably necessary, for the use of any Common Element (excluding all Limited Common Elements). The Units shall each be subject to such easement.

15.4 Each Unit and the Common Elements shall have easements of subjacency, support and necessity, and the same shall be subject to such easements in favor of all the other Units and the Common Elements.

15.5 Sponsor (or its designee) and the Board with respect to the Property and the Commercial Unit Owners with respect to their respective Commercial Units, shall each have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Property or the Commercial Units, as the case may be, as Sponsor (or its designee) or the Board, or the Commercial Unit Owners, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use of any of the other Units for their permitted purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use of any of the other Units for their permitted purposes.

15.6 Sponsor (or its designee) and its successors and assigns, shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs, canopies, flags or awnings or other protrusions (including, without limitation, a construction bridge) on or abutting the Property, including without limitation, on the exterior of the walls of the Building, for the purposes of advertising the sale or lease of any Unsold Unit, the sale or lease of all or any portion of the Commercial Unit(s), and/or the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit or of any Unsold Residential Units, as the case may be. Additionally, each Commercial Unit Owner and its successors and assigns, shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs, canopies, flags or awnings or other protrusions (including, without limitation, a construction bridge) on or abutting the Property, including without limitation, on the exterior of the walls of the Building, for the purposes of advertising the sale or lease of all or any portion of its respective Commercial Unit(s), and/or the operation of any business of a tenant or occupant of all or any portion of its respective Commercial Unit. In addition, Sponsor and its designee(s) shall have the right, until the tenth anniversary of the First Closing, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions (e.g., with respect to any sales programs for Unsold Units) or otherwise.

15.7 Each easement and other right granted under this Article 15 shall be deemed to permit the Unit Owner's contractors, subcontractors, agents, representatives, Occupants, employees and other designees (and, in the case of a grant to the Board, the Managing Agent), to use such easement or other right, as applicable, if such Unit Owner so elects.

15.8 Any grant of an easement "on", "over", "across" or "through" a given area shall be deemed to mean "on, over, across, through, and upon" such area, unless the context otherwise requires.

15.9 The owner of Commercial Unit 1 and/or its designee (and their respective successors and assigns) shall have an easement for so long as the Condominium shall remain in existence: (i) to erect, use, lease, maintain, repair, replace and operate a platform or platforms and other facilities for the purpose of erecting, using, leasing, licensing, maintaining, repairing, replacing and operating antennae, satellite dishes and other communications equipment on any part of the roof of the Building that is not occupied as of the date hereof for any other Building installations; and (ii) to erect, use, lease, maintain, repair, replace and operate related electronic and other communications equipment in any portion of any mechanical equipment room that is not occupied as of the date hereof by any other Building installations, and the right to erect partitions separating such portion from the balance of such equipment room; in each case, without the consent of, or charge by, the board or any other Unit Owners; provided, however, that Sponsor (or its designee) shall give notice to the Board of the type and location of any such equipment before installation. Any obligations of the owner of Commercial Unit 1 under any lease, license or other right of use granted by the owner of Commercial Unit 1 with respect to the roof or the aforesaid mechanical equipment room shall be the obligation solely of the owner of Commercial Unit 1 and not of the Condominium and any rights of the owner of Commercial Unit 1, including, without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right solely of such owner of Commercial Unit 1 and not of the Condominium. In connection with such easements and related rights, the owner of Commercial Unit 1 and its designee (and their respective successors and assigns) and the respective tenants and licensees shall each have, to the extent necessary or advisable for such erection, use, lease, maintenance, repair, replacement and operation, an easement in common with all Unit Owners for ingress, egress and the use of any Common Elements. The Residential Units, the Commercial Units, and the Storage Units shall each be subject to such easement. The word "utility" or "utilities" as used in this Section 15.10 shall be deemed to include fiber optic cable and other communications liens, wires, cables and conduits.

15.10 Except as may otherwise be set forth in this Declaration, any easement created or granted hereunder shall be perpetual and irrevocable for so long as the Condominium shall remain in existence.

ARTICLE 16

POWER OF ATTORNEY TO THE BOARD

Each Unit Owner shall grant to the persons who shall from time to time constitute the Board, an irrevocable power of attorney, coupled with an interest (in such form and content as the Board shall determine): (a) to acquire or lease on behalf of all Unit Owners any Unit, together with its Appurtenant Interests (as hereinafter defined), from any Unit Owner desiring to sell, convey, transfer, assign or lease the same, upon such terms and conditions as shall be approved by the Board in its reasonable discretion; (b) to acquire on behalf of all Unit Owners any Unit, together with its Appurtenant Interests, whose Owner elects to surrender the same pursuant to subsection 6.2.2 of the By-Laws; (c) to acquire any Unit, together with its

Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental as the case may be, as the attorneys-in-fact deem proper, in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as the attorneys-in-fact may determine; and (d) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission or any other public authority applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium, or (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements which the Board, in its reasonable discretion, deems necessary or appropriate.

ARTICLE 17

ACQUISITIONS OF UNITS BY THE BOARD

If (a) any Unit Owner surrenders his or her Unit, together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in the Common Elements and any other assets of the Condominium (such interests in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act; (b) the Board, pursuant to Article 8 of the By-Laws, acquires or leases a Unit, together with its Appurtenant Interests; or (c) the Board purchases, at a foreclosure or other similar sale, a Unit, together with its Appurtenant Interests, then, in any such event, title to any such Unit, together with its Appurtenant Interests, shall be held by the Board or its designee, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Unit leased or subleased by the Board or its designee shall be held by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements.

ARTICLE 18

COVENANTS RUNNING WITH THE LAND

18.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations (true copies of which are annexed hereto and made a part hereof), including, without limitation, the provisions of this Article 18 and of any Rules and Regulations as may be adopted and amended from time to time, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the Unit Owners of all or any part thereof, or interest therein, and their heirs, executors, administrators, legal representatives,

successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

18.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the New York Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the New York Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the New York Condominium Act.

18.3 Subject to the provisions of Section 18.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 19

AMENDMENTS OF DECLARATION

Article 13 of the By-Laws is incorporated herein in its entirety; and, except as otherwise expressly set forth herein, the provisions thereof shall govern the amendment and/or modification of, addition to and/or deletion of any of the provisions of this Declaration.

ARTICLE 20

TERMINATION OF CONDOMINIUM

20.1 The Condominium shall continue and the Property shall not be subject to an action for partition 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 New York Condominium Act is authorized by a vote of at least 80% both in number and aggregate of the Common Interests of all Unit Owners. No such vote under clause (b) in the preceding sentence shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential and Commercial Mortgagee Representatives, if any. Sponsor or its designee will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least 80% in number and in aggregate of the common interests of all other Unit Owners have voted in favor of such withdrawal, at which time Sponsor or its designee may choose to vote its common interests either in favor of or against withdrawal from condominium ownership, as it sees fit.

20.2 To the fullest extent permissible under the law, each Unit Owner shall be deemed to have waived any right to seek partition of the Property. In the event said withdrawal is authorized as aforesaid, and only to the extent the waiver contained in the preceding sentence shall be inapplicable or unenforceable, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale, together with the net proceeds of any applicable insurance policies, shall be divided among all Unit Owners: (i) first, by apportioning such proceeds in the aggregate among each class of Unit (i.e. Residential, Commercial and Storage) pursuant to an appraisal of fair market values to be performed by a panel of three independent appraisers (one of whom shall be selected by the Board, one of whom shall be selected by the Commercial Unit Owners, and the third chosen by the other two appraisers selected); and (ii) then, among the Unit Owners of each class of Unit 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 its share of such funds, such amounts as may be necessary to discharge all unpaid liens on its Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

ARTICLE 21

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 22

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

ARTICLE 23

CERTAIN REFERENCES

23.1 A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

23.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used.

23.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 24

SEVERABILITY

Subject to the provisions of Sections 18.2 and 18.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforceable to the fullest extent permitted by law.

ARTICLE 25

COVENANT OF FURTHER ASSURANCES

25.1 Any party which is subject to the terms of this 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, or otherwise, shall, at the expense of any such other party (or the holder of a lien on its Unit) requesting the same, execute, acknowledge and deliver to such other party (or the holder of a lien on its Unit) such instruments, in addition to those specifically provided for herein, and take such other action, as such other party (or the holder of a lien on its Unit) may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

25.2 If any Unit Owner, the Board or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after receipt of a written request therefor, to take any action which such Unit Owner or party is required to take pursuant to his Declaration and such failure continues for an additional ten (10) day period following receipt of a second written request therefor (together with written advice that the requesting party shall be entitled to take action upon the recipient's failure or refusal to perform) then the Board is hereby authorized as attorney-in-fact for such Unit Owner, or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

25.3 If any Unit Owner, the Board or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after receipt of a written request therefor, to take any action which the Board, Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration at the request of Sponsor, then Sponsor is hereby authorized as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action, in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 26

SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or its designee or, with the consent of Sponsor or its designee, any transferee of all then Unsold Units. The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successor or assign of the Commercial Unit Owners. Subject to the foregoing, Sponsor or its designee, and/or the Commercial Unit Owners, as the case may be, shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by merger, consolidation, sale, lease, assignment or otherwise. The rights and/or obligations of the Unit Owners or their designees as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of such Unit Owners or their designee(s).

ARTICLE 27

NAME OF CONDOMINIUM AND BUILDING

The Condominium and the Building shall be designated and known as "325 FIFTH AVENUE CONDOMINIUM" or "325 Fifth Avenue." Declarant shall own and control all rights and interests, and shall be responsible for all obligations and liabilities, appurtenant to the name of the Condominium and/or the Building. Only Declarant shall have the right to change or assign the name of the Condominium and/or the Building. In addition, Declarant shall have the right, for so long as the Property is a condominium, to maintain a plaque identifying

Declarant (or any of its affiliates) as the sponsor of the condominium offering, together with such other information as Declarant determines in its sole discretion.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the ____ day of _____, 200___.

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

By: _____
Name:
Title:

ACKNOWLEDGEMENT

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On the _____ day of _____ in the year 2004 before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

SCHEDULE A TO DECLARATION ESTABLISHING CONDOMINIUM OWNERSHIP OF 325 FIFTH AVENUE CONDOMINIUM

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

LOT 3

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Fifth Avenue, distant 38 feet 3 inches northerly from the corner formed by the intersection of the northerly side of East 32nd Street and the easterly side of Fifth Avenue;

RUNNING THENCE northerly along Fifth Avenue, 26 feet to a point;

THENCE easterly parallel with the northerly side of East 32nd Street, 138 feet;

THENCE southerly parallel with the easterly side of Fifth Avenue, 26 feet; and

THENCE westerly parallel with the northerly side of East 32nd Street, 138 feet to the point or place of BEGINNING.

DESCRIPTION - SCHEDULE A
(CONTINUED)

LOT 4

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Fifth Avenue, distant 49 feet 5¼ inches southerly from the corner formed by the intersection of the southerly side of East 33rd Street and the easterly side of Fifth Avenue;

RUNNING THENCE easterly at right angles to the easterly side of Fifth Avenue, 100 feet;

THENCE northerly at right angles to the last mentioned course, 24 feet 9 inches;

THENCE westerly at right angles to the last mentioned course, 30 feet;

THENCE northerly at right angles to the last mentioned course, 24 feet 8¼ inches to the southerly side of East 33rd Street;

THENCE easterly along the southerly side of East 33rd Street, 80 feet;

THENCE southerly at right angles to the southerly side of East 33rd Street, 133 feet 3 inches;

THENCE westerly at right angles to the last mentioned course, 150 feet to the easterly side of Fifth Avenue; and

THENCE northerly along the easterly side of Fifth Avenue, 83 feet 9¾ inches to the point or place of BEGINNING.

DESCRIPTION - SCHEDULE A
(CONTINUED)

LOT 73

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Fifth Avenue, distant 24 feet 8¾ inches southerly from the corner formed by the intersection of the southerly side of 33rd Street with the easterly side of Fifth Avenue;

THENCE easterly parallel with 33rd Street, 100 feet;

THENCE southerly parallel with Fifth Avenue, 24 feet 9 inches;

THENCE westerly again parallel with 33rd Street and part of the distance through a party wall, 100 feet to the easterly side of Fifth Avenue; and

THENCE northerly along the easterly side of Fifth Avenue, 24 feet 9 inches to the point or place of BEGINNING.

DESCRIPTION - SCHEDULE A
(CONTINUED)

TOGETHER WITH all right, title and interest in and to the following described parcel:

THE ALLEYWAY DESCRPTION

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point in the northerly side of 32nd Street, distant 150 feet easterly from the corner formed by the intersection of the northerly side of 32nd Street and the easterly side of Fifth Avenue;

THENCE northerly and parallel with Fifth Avenue, 64 feet 3 inches;

THENCE westerly and parallel with 32ndStreet, 12 feet;

THENCE southerly and parallel with Fifth Avenue, 64 feet 3 inches to 32nd Street; and

THENCE easterly along the northerly line of 32nd Street, 12 feet to the point or place of BEGINNING.

SCHEDULE B

DECLARATION ESTABLISHING CONDOMINIUM OWNERSHIP OF 325 FIFTH AVENUE CONDOMINIUM

DESCRIPTION OF UNITS

Unit	Number of Rooms and Baths	Approx. Total Area	% Interest in Common Elements (Common Interest)	Tax Lot No.	Location (in Portion of Building Facing in Direction set forth below)	Common Elements to Which Unit Has Immediate Access

EXHIBIT 8

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BY-LAWS

OF

325 FIFTH AVENUE CONDOMINIUM

ARTICLE 1

GENERAL

1.1 Purpose. The purpose of these by-laws (the "By-Laws") is to set forth the rules and procedures concerning the conduct of the affairs of 325 FIFTH AVENUE CONDOMINIUM (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately 22,618 square feet of land (the "Land") which forms a part of Block 862 on the Tax Map of the Borough of Manhattan, City, County and State of New York, the building and other improvements now or hereafter constructed thereon or therein, as the case may be (hereinafter collectively called the "Building"), including, without limitation, the Units, the Common Elements, and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith; the Condominium and these By-Laws shall be subject to the provisions of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration"), which has been recorded in the New York County office of the Register of the City of New York (the "Register's Office"), together with these By-Laws. All terms used herein which are not separately defined herein shall have the meanings given to those terms in the Declaration.

1.2 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units and their respective employees, invitees and guests, as well as all other persons who may use the facilities located on, or forming a part of, the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease, sublease or license for, or the act of occupancy of, all or any portion of a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration, as the same may be amended from time to time, are accepted, ratified, and will be complied with.

1.3 Principal Office of the Condominium. The principal office of the Condominium shall be located either within the Property or at such other place in the Borough of Manhattan as may be designated from time to time by the Board (as hereinafter defined).

ARTICLE 2

BOARD OF MANAGERS

2.1 General Description of the Board.

2.1.1 As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Board").

From and after the First Annual Meeting of Unit Owners (as hereinafter defined), as provided in Section 3.1, the Board shall consist of seven persons elected by the Unit Owners.

2.1.2 Each member of the Board, except for the First Board (as hereinafter defined), as provided in Section 2.3 and except as otherwise provided herein, shall be elected at an annual meeting of the Unit Owners and shall serve until the expiration of their term in office on the third regularly scheduled annual meeting thereafter. Notwithstanding the expiration of the term of office of a member of the Board, each member shall serve until a successor for such member has been elected and qualified.

2.1.3 Except for any Member elected or designated by Sponsor or its designee, all members of the Board must be: (i) individual Unit Owners or Permitted Mortgagees (as hereinafter defined) of Units; (ii) partners or employees of a partnership owning, or holding a mortgage encumbering a Unit; (iii) officers, directors, stockholders or employees of corporate owners or corporate Permitted Mortgagees of Units; (iv) members or employees of a limited liability company owning or holding a Permitted Mortgage; (v) fiduciaries or beneficiaries who are Unit Owners or Permitted Mortgagees of Units (or directors, officers, stockholders or employees of corporate fiduciaries or partners or employees of partnership fiduciaries); (vi) adult family members (as defined in Section 8.7) or spouses of any of the foregoing individuals; or (vii) individuals designated by a sovereign government, consulate or other similar entity that is a Unit Owner or a Permitted Mortgagee of a Unit. Other than Board members elected or designated by Sponsor or its designee, no Board member shall continue to serve after he or she ceases to be qualified as set forth above. As used herein, the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") of a Unit or Units which is permitted to be placed thereon in accordance with these By-Laws.

2.1.4 In no event shall any Unit Owner (or its proxy) or another interested party be eligible for election to the Board, and any such Unit Owner (or its proxy) or other party may be removed as a Board member by a majority vote of the other Board members, if such Unit Owner is then in arrears, beyond any applicable grace period, in the payment of Common Charges or any other amounts required by the Board to be paid. In addition, no member of the Board (or his or her proxy) may continue to participate as a member thereof after the Board has perfected a lien against his or her Unit, for so long as such lien remains unsatisfied.

2.2 Powers and Duties of Board.

2.2.1 The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which, by law, the Declaration or these By-Laws may not be delegated to the Board by the Unit Owners).

2.2.2 Subject to the provisions of subsection 2.2.1 and without limiting the generality thereof, (and in addition to all other powers and duties granted to the Board by law, the Declaration or these By-Laws) the Board shall be entitled to make determinations with respect to all matters relating to the operation and the affairs of the Condominium, including, without limitation, the following:

(a) Operation, care, upkeep, maintenance, repair, restoration, addition and improvement to, and alteration and replacement of the Common Elements, in the condition and otherwise in such a manner that maintains standards of quality, service and appearance which are appropriate for a luxury condominium.

(b) The amount of Common Charges and any assessments.

(c) Collection of Common Charges and any assessments from Unit Owners.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements, and the provision of the Building services.

(e) Adoption of, and amendments and additions to, the Rules and Regulations (as such term is hereinafter defined).

(f) Purchasing, leasing and otherwise acquiring, in the name of the Board or its designee, on behalf of all Unit Owners, those Units offered for sale or lease by, or Units surrendered by, the owners of such Units to the Board, or those Units with respect to which liens for real estate taxes are being sold by the City of New York, or a Residential Unit or other residence for the use by the Resident Building Manager or superintendent.

(g) Purchasing Units at foreclosure or other similar sales (including, without limitation, in connection with the enforcement of the Board's lien for unpaid Common Charges), in the name of the Board or its designee, on behalf of all Unit Owners.

(h) Selling, leasing, mortgaging, refinancing and otherwise dealing with (but not voting the interests appurtenant to) Units acquired by, and subleasing Units leased by, the Board or its designee, on behalf of all Unit Owners.

(i) Making repairs, restorations, additions and improvement to, and alterations and replacements of, the Common Elements.

(j) Making repairs, restorations, additions and improvements to, and alterations and replacements of, the Property or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws.

(k) Enforcing obligations of Unit Owners.

(l) Levying fines against Unit Owners for violations of the Rules and Regulations (which fines shall constitute Common Charges payable by the Unit Owners against whom they are levied); provided, however, that no fine for any single infraction shall exceed $200 (but every day that an infraction continues shall be considered a separate infraction subject to fine).

(m) Maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating the signatories required therefor.

(n) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith), if the loss is to be adjusted by the Board, as provided in Article 6 hereof.

(o) Borrowing money, at any time, on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations, additions or improvements to, or alterations or replacements of, the General Common Elements or Residential Limited Common Elements, respectively; provided, however, that: (A) except as provided in Section 8.6, the consent of at least 66-2/3% in common interest of all Unit Owners or all Residential Unit Owners, as the case may be, shall be required for any borrowings for such purposes with respect to the General Common Elements or Residential Limited Common Elements, respectively, if such borrowings are in excess of $100,000 (subject to increase by the CPI Increase Factor) in total any one fiscal year or $250,000 in the aggregate (including borrowings from prior periods) at any one time; (B) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements (except to the extent permitted by applicable law) without the prior written consent of the owner of such Unit; and (C) no Unit Owner other than the Residential Unit Owners shall be liable for the repayment of any such borrowing with respect to the Residential Limited Common Elements exclusively, and the loan documentation in such case shall so provide. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be deemed trust funds for the purpose of paying such debt. The Board cannot secure such debt by a lien on the Common Elements without the consent of all Unit Owners. In addition to the debt described above, the Board, without approval of the Unit Owners may, at any time, incur, or refinance, debt from time secured by a lien on the Resident Manager's Unit or any other Unit acquired by the Board pursuant to the Declaration and/or By-Laws; provided, however, that no such financing or refinancing 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 in the Common Elements. If any sum borrowed by the Board pursuant to the authority contained in this subparagraph 2.2.2(o) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his or her interest in the Common Elements bears to the interest of either all Unit Owners or all Residential Unit Owners (depending on whether the borrowing was made on behalf of all Unit Owners or only the Residential Unit Owners, respectively), in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit, and all loan documentation entered into by or on behalf of the Board shall specifically so provide. The dollar amounts set forth in clause (A) of this subsection 2.2.2(o), and all other dollar amounts referenced elsewhere in these By-Laws, shall be adjusted to reflect any increase in the cost of living, as reflected by an increase in the CPI Increase Factor.

(p) Organizing corporations, limited liability companies and/or other entities to act as designees of the Board with respect to such matters as the Board may determine, including, without limitation, in connection with the acquisition of title to, or the leasing or subleasing of, Units acquired or leased by the Board on behalf of the Unit Owners.

(q) Execution, acknowledgment and delivery of, without limitation: (i) any consent, agreement, document, covenant, restriction, easement, declaration or other instrument, or any amendment thereto, affecting the Property or the Condominium which the Board deems

necessary or appropriate to comply with the Legal Requirements applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property or the Condominium; or (ii) any consent, agreement, document, covenant, restriction, easement, declaration or other instrument, or any amendment thereto, affecting (x) the Property or the Condominium which the Board deems necessary or appropriate, or (y) a Unit, if the owner of such Unit requests, or under the Declaration or these By-Laws is required to request, that the Board take such action, and (except as otherwise provided in the Declaration or these By-Laws) the Board determines that taking such action is appropriate.

(r) Execution, acknowledgment and delivery of any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments, or in connection with any real estate tax exemption or abatement, with respect to: (i) all Units other than the Commercial Units for the benefit and on behalf of the Unit Owners and (ii) the Commercial Units, for the benefit of the respective Owners thereof, but only to the extent requested and authorized to do so, in writing, by the respective Owners thereof; and provided, in each case, that all such Unit Owners indemnify the Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

(s) Commencing, prosecuting and settling litigation.

(t) Obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Section 6.4.

(u) Imposition, increase, decrease or elimination of move-in fees and charges, and transfer fees payable to the Managing Agent and/or the Condominium, in connection with the sale or lease of a Residential Unit, provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon Sponsor or its designee or any Units bought, sold or leased by the Board.

(v) Establishing, changing and otherwise making determinations with respect to reserves, including, without limitation, a general operating reserve or a reserve for working capital or for replacements with respect to the Common Elements.

2.2.3 Except as otherwise provided in these Bylaws or in the Declaration, each Commercial Unit Owner shall be entitled to make determinations with respect to the following matters:

(a) Operation, care, upkeep, maintenance, repair and replacement of its Commercial Unit.

(b) Employment and dismissal of personnel necessary for the maintenance and operation of its Commercial Unit.

(c) Leasing or granting consent with respect to the sublease of all or any portion of its Commercial Unit, or the use thereof by persons or for purposes otherwise permitted and the granting of other consents as in these By-Laws provided, except that Commercial Units 1 and 2 shall be used for any lawful purpose approved by the Board as provided in the Plan, and provided that the Unit Owner of any Commercial Unit (and any lessee, sublessee and occupant)

complies with any other restrictions with respect to its Commercial Unit that the Unit Owner of a Commercial Unit agreed to with Sponsor.

(d) Selling, leasing, mortgaging and otherwise dealing with all or any portion of its Commercial Unit.

(e) Making repairs, restorations, additions and improvements to, or alterations of, its Commercial Unit, provided such repairs, restorations, additions, improvements and alterations comply with all applicable Legal Requirements and do not significantly and adversely affect all or any portion of the Building outside the Commercial Units (including, without limitation, any building systems outside of the Commercial Units).

(f) Making repairs to and restoration of its Commercial Unit, or parts thereof, damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings, provided such repairs and restorations comply with all applicable Legal Requirements and do not significantly and adversely affect all or any portion of the Building outside the Commercial Units (including, without limitation, any building systems outside of the Commercial Units).

(g) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only its Commercial Unit, as set forth in Section 6.4.

(h) Borrowing money when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, its Commercial Unit, or otherwise in connection with any permitted action or activity of such Commercial Unit Owner; provided, however; that (i) no lien to secure repayment of any sum borrowed may be created on any other Unit or its appurtenant interests in the Common Elements without the consent of the owner of such other Unit, and (ii) Unit Owners other than such Commercial Unit Owner will not be liable for repayment of any portion of any such loan, unless they otherwise agree in writing.

(i) Execution, acknowledgement and delivery of (i) any declaration or other instrument affecting its Commercial Unit which the Unit Owner thereof deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission or any other public authority or agency, applicable to the maintenance, demolition, construction, alteration, repair or restoration of its Commercial Unit, or (ii) any consent, covenant, restriction, easement or declaration affecting its Commercial Unit which the Unit Owner there deems necessary or appropriate. (The provisions of this subparagraph 2.2.3(i) are subject to the provisions of Articles 10 and 19 of the Declaration.)

(j) Execution, acknowledgement and delivery of any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain a reduced real estate tax assessment solely with respect to its Commercial Unit.

2.2.4 Any action required or permitted to be taken pursuant to the provisions of these By-Laws or the Declaration by the Board shall be done or performed by the Board or shall be done on its behalf and at its direction by the agents, employees or designees of the

Board, and the Board may employ one or more managing agents and/or managers (individually and/or collectively, the "Managing Agent"), at a compensation established by the Board, to perform such duties and services as the Board shall authorize. The Board may delegate to such Managing Agent or manager any powers granted to the Board by these By-Laws, except the powers set forth in subparagraphs 2.2.2(b), (e), (f), (g), (h) (k), (l), and (n) through (v).

2.2.5 Notwithstanding anything to the contrary contained in these By-Laws, (including, without limitation, in Section 2.2.2 above) for a period (the "Initial Control Period") which shall end upon the later to occur of:(a) the fifth anniversary of the First Closing of title to any Residential Unit pursuant to an Agreement (as such term is defined in that certain Offering Plan, dated as of _____, 2005 for the sale of certain Units at the Condominium (the "Offering Plan")); or (b) the closing of title by Sponsor to Residential Units representing more than 75% in number and in aggregate Common Interests of all Residential Units, the Board may not, without Sponsor's prior written consent: (i) make any addition, alteration or improvement to the Common Elements or any Unit (unless required by any applicable laws, statutes and ordinances (including, without limitation, environmental laws, and all building codes and zoning ordinances) and the orders, rules, regulations, directives, binding resolutions and requirements of all governmental authorities (including, without limitation, the New York City Department of Buildings, the City Planning Commission, the boards of fire underwriters or any public authority or agency having jurisdiction), whether in force as of the date hereof or hereafter, which are or become, or purport to be, applicable to the Property or any part thereof ("Legal Requirements"); (ii) assess any Common Charges for the creation of, addition to or replacement of all or any reserve, contingency or surplus fund; (iii) increase or decrease the number of, or change the kind of, employees initially hired for the Building, as provided for in Schedule B — "Projected Budget for First Year of Condominium Operation" set forth in the Offering Plan (the "First Year's Budget"); (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services; (v) borrow money on behalf of the Condominium (other than the indebtedness in connection with the Resident Manager's Unit (as defined below) or unless any such borrowing is approved by the owners of Units representing at least 75% both in number and aggregate Common Interests of all Units); or (vi) exercise any right of first refusal to lease or purchase a Residential Unit. However, the Board may perform any function or take any action enumerated in subsections (i) through (vi) hereinabove without the consent of Sponsor if, and only if, the performance of such function or the carrying out of such action is necessary, and no other alternative is available, either to enable the Board to comply with any Legal Requirements, or to remedy any notice of violation entered against the Condominium, or to comply with any proper work order by an insurer of the Building, or for the health and safety (but not the general conduct or welfare) of the occupants of the Building. Sponsor may not exercise veto power over expenses described in said Schedule B, or over expenses required to comply with any Legal Requirements applicable to the Building, or to remedy any notice of violation entered against the Building or to comply with any proper work order by an insurer of the Building. Sponsor may, however, exercise veto power over expenses other than those described in the preceding sentence, to the extent provided in the Plan, for a period ending not more than five (5) years after the First Closing or whenever the Unsold Units constitute less than 25% of the Common Interest, whichever is sooner.

2.3 Number and Terms of Office of Members of the Board.

2.3.1 Until the First Annual Meeting held by the Unit Owners pursuant to the terms of Section 3.1 hereof, the Board (the "First Board") shall consist of three (3) persons designated by Sponsor from time to time. Prior to the First Annual Meeting, the terms of each member of the First Board shall expire annually and, subject to the other provisions of this Section, Sponsor shall have the right to designate the replacement for each such member, even though such replacement may be the same person. In accordance with the provisions of and within the time periods set forth in Section 3.1, the First Board shall cause the President of the Condominium to call the First Annual Meeting of Unit Owners. The term of office of the three members of the First Board so designated by Sponsor shall expire when the three members to be elected and/or designated at First Annual Meeting are so elected or designated, as the case may be, and qualified.

2.3.2 From and after the First Annual Meeting, the Board shall consist of seven persons: five members elected by the Unit Owners (including Sponsor) and two members designated by the Commercial Unit Owners (with one appointed by the owner of each of Commercial Unit 1 and Commercial Unit 2; although it is intended initially that Sponsor will own both such Units). The Commercial Unit Owners shall at all times have the right to designate such two Board members as aforesaid. For so long as Sponsor is entitled to designate one Member, as provided for in subsection 2.4.3 hereof, the Board may not be expanded beyond seven members without the prior consent of Sponsor.

2.3.3 The term of office of each of the seven members comprising the Board will usually be three years, except that the terms of office with respect to the first seven member board shall be fixed at the First Annual Meeting as follows: (a) three Members will serve for approximately three (3) years, (b) three Members will serve for approximately two (2) years, and (c) one Member will serve for approximately one (1) year). At the expiration of the initial term of office of each member of the Board, each such member's successor will be elected (or designated, as the case may be) to serve for a term of three years. The Members of the first Board elected at the First Annual Meeting who receive the highest number of votes will serve for the longest terms; but except as set forth in subsection 2.4.4 hereof, any members designated by Sponsor or its designee pursuant to the terms of subsection 2.4.3 will serve for the shortest terms. At each annual meeting of Unit Owners subsequent to the First Annual Meeting, the Unit Owners shall elect (or in the case of the Commercial Unit Owner(s), designate), as the case may be, pursuant to the terms of Section 2.4 hereof, Board members to replace the Board members whose terms of office are then expiring, each to serve a term of office fixed at three years. Notwithstanding the expiration of the term of office of a member of the Board or anything contained herein to the contrary, each member of the Board shall serve until his or her successor shall be elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Board (including any Member designated by Sponsor, or its designee, or the Commercial Unit Owner(s)) may serve until his or her successor shall be elected and qualified.

2.4 Election of Board Members; Rights of Sponsor.

2.4.1 Subject to the terms of subsections 2.4.3 and 2.4.4, all Members of the Board shall be determined by plurality of the votes cast by the Unit Owners (including Sponsor or its designee, for so long as Sponsor or such designee owns at least one Unit) who are present

(in person or by proxy) and voting at a meeting at which a quorum of all Unit Owners is present or not required.

2.4.2 When voting for members of the Board, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting, the Units owned by such Unit Owner and the percentage of Common Interest attributable to each Unit owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

2.4.3 Notwithstanding any other provision of this Section 2.4 or of these By-Laws or otherwise to the contrary, at the First Annual Meeting and at all times theretofore and thereafter, Sponsor and/or its designee and/or any owner of Unsold Units shall be able to vote in accordance with its/their ownership of Units and thus may be able to elect members of the Board by virtue of its/their ownership of Units. In addition at elections of members to the Board held before the expiration of the Initial Control Period, if: (i) Sponsor (or its affiliate) owns both Commercial Units, Sponsor, and/or its designee shall designate the two members of the Board designated by the Commercial Unit Owners and two additional members of the Board (all of whom may be persons related to or affiliated with Sponsor and/or its designee or other Unsold Unit Owner) and Sponsor, such designee and all other Unit Owners shall elect the remaining Board members; (ii) Sponsor (or its affiliate) owns only one of the Commercial Units, Sponsor and/or its designee shall designate one of the two members of the Board designated by the Commercial Unit Owners and three additional members of the Board (all of whom may be persons related to or affiliated with Sponsor and/or its designee or other (Unsold Unit Owner), the other Commercial Unit Owner shall designate the other of the two members designated by the Commercial Unit Owners, and Sponsor and/or its designee and all other Unit Owners shall elect the two remaining Board members; and (iii) Sponsor (or its designee) is not entitled to appoint either of the two members of the Board to be designated by the Commercial Unit Owners, Sponsor and/or its designee shall designate four members of the Board (all of whom may be persons related to or affiliated with Sponsor and/or its designee of other Unsold Unit Owner), the Commercial Unit Owners shall designate the two members of the Board to be designated by the Commercial Unit Owners, and Sponsor and/or its designee and all other Unit Owners shall elect the one remaining Board member.

In addition, at elections of members to the Board held after the expiration of the Initial Control Period but while Sponsor and/or its designee still owns at least two Residential Units, Sponsor and/or its designee shall have the right to elect or designate not more than one member of the Board (in addition to any member(s) designated by Sponsor as the Unit Owner of one or more of the Commercial Units), who may be persons related to or affiliated with Sponsor, such designee or other Unsold Unit Owner; and Sponsor, such designee and all other Unit Owners shall have the right to elect (or in the case of the Commercial Unit Owners, to designate) the remaining members of the Board. There is no restriction on the right of Sponsor and its designee(s) or any Unsold Unit Owner to vote for members of the Board who are not related to or affiliated with Sponsor or such designee or Unsold Unit Owner; however, after the expiration of the Initial Control Period, neither Sponsor nor its designee will designate a majority of the Members.

2.4.4 In the event that after notice of an annual meeting of Unit Owners is given to all Unit Owners in the manner prescribed by Section 3.4 of these By-Laws, the Unit

Owners present in person or by proxy at such annual meeting constitute less than a quorum, and consequently new members of the Board to replace those whose terms expire as of such annual meeting cannot be elected, the remaining Members of the Board shall fill any resulting vacancies at a special meeting of the Board held for that purpose promptly thereafter, even though the members of the Board present at such meeting may themselves constitute less than a quorum. The Board shall request the Unit Owners present (in person or by proxy) at the annual meeting to express their preferences for the Board members to have been elected at such annual meeting, but such expression of preferences shall be non-binding on the Board. Any person so elected by the Board shall be a member of the Board until the next annual meeting of Unit Owners, when a successor shall be elected for the remainder of the term.

2.5 Resignation and Removal.

2.5.1 Any member of the Board may resign at any time by written notice given in accordance with the terms of Section 5.1 of these By-Laws to the President or Secretary of the Condominium and, with respect to members of the Board designated as such or elected by Sponsor (or its designee), by also giving such written notice to such party. Any such resignation shall take effect at the time specified in such notice and, unless specifically requested by the resigning member, acceptance of such resignation shall not be necessary for the effectiveness thereof.

2.5.2 Subject to the provisions of Sections 2.3 and 2.4, and except as provided in the following sentence, any Member elected by the Board pursuant to the terms of Sections 2.4 or 2.6 hereof, respectively, may be removed from office, with or without cause, by a Majority of Unit Owners (as hereinafter defined.) Any Member who was designated or elected as such by Sponsor (or its designee), in Sponsor's capacity as a Unit Owner, pursuant to the terms of Sections 2.4 or 2.6, may be removed from office (x) for cause, by a Majority of Unit Owners and (y) without cause, only by Sponsor (or its designee). In the event of any removal described in the previous sentence, whether with or without cause, either Sponsor (or its designee) shall have the sole right to designate the replacement of the member which had been designated or elected by Sponsor (or its designee). Any Board member whose removal for cause has been proposed shall be given an opportunity to be heard at the meeting of Unit Owners at which such removal is to be considered.

2.6 Vacancies on Board. Subject to the provisions of Sections 2.3, 2.4 and 2.5, any vacancy on the Board for whatever reason shall be filled by the members of the Board then in office, at a special meeting of the Board 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 any person so elected shall be a member of the Board until the next annual meeting of Unit Owners when a successor shall be elected for the remainder of the term of the member creating such vacancy. However, any vacancy on the Board created by the resignation, removal or any other reason of any Board member designated as such by Sponsor (or its designee) shall be filled only by or Sponsor (or its designee, as the case may be).

2.7 Organizational Meetings of Board. The first meeting of the Board following each annual meeting of Unit Owners shall be held within ninety (90) days after such annual meeting at such time and place in the Borough of Manhattan as shall be fixed by a majority of the Members

thereof, and no notice shall be necessary to the Board Members in order to legally constitute such meeting, provided that a majority of the members of the Board shall be present thereat.

2.8 Regular Meetings of Board. Regular meetings of the Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof, provided that at least two such meetings shall be held during each fiscal year of the Condominium. Notice of regular meetings shall be given to each member thereof, by personal delivery, nationally recognized overnight courier or telecopy, at least five business days prior to the day named for such meeting.

2.9 Special Meetings of Board. Special meetings of the Board may be called by the President or Vice President of the Condominium by giving at least five business days' prior notice to each member of the Board, by personal delivery, nationally recognized overnight courier or telecopy, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. In addition, the President shall call a special meeting upon the written request of two or more members of the Board.

2.10 Waiver of Notice. Any member of the Board may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver by such member of notice of the time and place thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

2.11 Determinations by Board; Quorums.

2.11.1 Except as otherwise set forth in subsections 2.4.4., 2.6 and 2.11.3, all determinations of the Board shall be made at a meeting of the Board at which a quorum thereof is present. At any Board meeting, a majority of the members thereof shall constitute a quorum except as may otherwise be provided herein, and the votes of a majority of such members present shall constitute the decision of the Board.

2.11.2 If at any Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum exists or may reconvene the meeting to a time (specified on at least three business days' notice, by personal delivery, nationally recognized overnight courier or telecopy, to the absent members) when no quorum requirement shall apply. At any such adjourned meeting at which a quorum is present or is not required, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.11.3 Members of the Board may participate in a meeting thereof by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing.

2.12 Compensation. No member of the Board shall receive any compensation for acting as such.

2.13 Liability of Board and Unit Owners.

2.13.1 To the extent permitted by applicable law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of the Managing Agent, building engineer or superintendent in connection with the affairs or operation of the Condominium (except in its or their capacities as Unit Owners), and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Board or by the Managing Agent shall state that it is made by the Board or the Managing Agent only as agent for all Unit Owners, and that the Board members or the Managing Agent shall have no personal liability thereon (except in its or their capacities as Unit Owners) and may also state the applicable limitations of liability of the Unit Owners provided for in the next sentence; however, the absence of such statement or statements in any such contract shall not be deemed to imply any personal liability on the part of the Board or the Managing Agent or any greater liability on the part of any Unit Owner than as provided in the next sentence. The liability of any Unit Owner for any contract, act or omission 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 in each case, to the extent permitted by applicable law, the liability of any Unit Owner shall be limited to such Unit Owner's interest in its Unit and its appurtenant Common Interest, so that such Unit Owner shall have no personal liability for any such contract, act or omission.

2.13.2 Nothing in the preceding section shall limit a Unit Owner's liability for the payment of Common Charges. To the extent permitted by applicable law, Board members shall have no liability to Unit Owners except that a Board member shall be liable for its or his or her own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Board member against any liability or claim except those arising out of such Board member's own bad faith or willful misconduct. The Board may contract or effect any other transaction with any member of the Board, any Unit Owner, Sponsor, Sponsor's designee or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct.

2.13.3 Neither the Board nor any member thereof shall be liable for either (i) any failure or interruption of any utility or other services to be provided or obtained by, or on behalf of, the Board or to be paid for as a Common Expense except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of the Board or such member thereof, as the case may be; or (ii) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or any Common Element, which is either: (a) caused by the elements, by any Unit Owner or by any other individual, (b) resulting from electricity, or from water, snow or ice that may leak or flow from a Unit or any portion of any Common Element, or (c) arising out of theft or otherwise; except in each case when caused by the acts of bad faith or willful misconduct of the Board or such member thereof.

2.14 Fidelity Bonds. The Board shall obtain fidelity bonds, in amounts deemed appropriate by it, for all of its members, officers and employees and for the Managing Agent and the premiums on such bonds shall constitute Common Expenses.

2.15 Committees. The Board may, subject to such limitations and exceptions as the Board may prescribe, appoint such committees as the Board may deem appropriate, each to consist of two or more members of the Board. Each such committee, to the extent provided in the resolution which creates it, shall have and may exercise all the powers designated to it by the Board during the intervals between the meetings of the Board insofar as may be permitted by law. For so long as Sponsor is entitled to designate members to the Board, any committee appointed by the Board shall have as at least one of its members a member of the Board appointed by Sponsor.

2.16 Status of Board. In addition to the status conferred upon the Board under or pursuant to the provisions of the New York Condominium Act, the Board shall, to the extent permitted by applicable law, be deemed to constitute a separate unincorporated association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation or organization of the Board pursuant to the provisions of Section 2.17, the provisions of this Section 2.16 shall no longer be applicable to the Board.

2.17 Incorporation and Organization of Board. To the extent and in the manner provided in the New York Condominium Act, the Board may, by action of the Board as provided in this Article 2, be organized as a limited liability company or incorporated under the applicable statutes of the State of New York. In the event that the Board so organizes or incorporates, it shall have, to the extent permitted by applicable law, the status conferred upon it under such statutes in addition to the status conferred upon the Board under or pursuant to the provisions of the New York Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation or the articles of organization and operating agreement of such resulting limited liability company, as the case may be, shall conform as closely as practicable to the provisions of the Declaration and these By-Laws; and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions thereof and the provisions of such certificate of incorporation and by-laws or articles of organization and operating agreement.

2.18 Board as Agent of Unit Owners. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Board shall act as, and shall be, the agent of the Unit Owners, subject to and in accordance with the provisions of the Declaration and these By-Laws.

2.19 Prohibited Transactions. Each member of the Board shall perform his or her duties, and shall exercise his or her powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by applicable law, no contract or other transaction between the Board and either: (i) any of its members; or (ii) any corporation, partnership, fiduciary, firm, limited liability company, association or other entity in which any of the members of the Board are officers, directors, shareholders, employees, partners, fiduciaries, beneficiaries, members or principals, or are otherwise interested, pecuniary or otherwise, shall be deemed either void or voidable because either: (a) any such member of the Board was present at the meeting or meetings of the Board during which such contract or transaction was discussed, authorized, approved or ratified, or (b) the vote of any such member was counted for such purpose; provided, however, that either: (1) the fact thereof is disclosed to, or known by, the Board or a majority of the members thereof and noted in the minutes thereof, and the Board shall

authorize, approve or ratify such contract or transaction in good faith by a vote of a majority of the entire Board, less the number of such members involved in such contract or transaction; or (2) the fact thereof is disclosed to, or known by, a majority of Unit Owners and a majority of Unit Owners, present at a duly constituted meeting, shall in good faith authorize, approve or ratify such contract or transaction less the number of such Unit Owners who are also such members involved in such contract or transaction; and (3) the contract or transaction is commercially reasonable to the Board at the time the same is authorized, approved, ratified, executed or otherwise consummated. Any such members of the Board may be counted in determining the presence of a quorum of any meeting of the Board or of the Unit Owners which authorizes, approves or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat in order to authorize, approve or ratify such contract or transaction.

2.20 Principal Office of Board. The principal office of the Board shall be located either within the Property or at such other place in the Borough of Manhattan, as may be designated from time to time by the Board.

ARTICLE 3

UNIT OWNERS

3.1 Annual Meetings. The first annual meeting of Unit Owners (the "First Annual Meeting") shall be held not later than 30 days following the later to occur of: (a) the first anniversary of the First Closing; or (b) the closing of title by Sponsor (or its designee), as seller, to Units representing more than 50%, both in number and in aggregate Common Interests of all Units, to Purchasers (as defined in the Offering Plan). At such meeting, a new Board shall be elected and/or designated (as provided in Sections 2.3 and 2.4) consisting of seven persons and the incumbent Board shall resign. Thereafter, annual meetings of Unit Owners shall be held within approximately four weeks after the anniversary of such first meeting in each succeeding year on a date to be set by the Board. At such meetings, the Unit Owners shall elect, or designate, as the case may be, successors to the members of the Board whose terms of office are due to expire on or about the day of such meeting or have already expired and there shall also be transacted such other business as may properly come before such meeting.

3.2 Place of Meetings. Meetings of Unit Owners shall be held at the principal office of the Condominium or at such other place in the Borough of Manhattan as may be designated from time to time by the Board.

3.3 Special Meetings. The President or the Vice President of the Condominium shall call a special meeting of Unit Owners if so directed by resolution of the Board or upon a petition signed and presented to the Secretary of the Condominium by Unit Owners owning Units representing not less than 50% of the Common Interests of all of the Units. Each such resolution or petition shall state, in reasonable detail, the purposes for calling such meeting.

3.4 Notice of Meetings and Actions Taken. Notice of each annual or special meeting of Unit Owners shall be given by the Secretary of the Condominium to all Unit Owners of record entitled to vote thereat, at their address at the Condominium (or at such other address as any Unit Owner has designated by notice in writing to the Secretary of the Condominium at least 15 business days prior to the giving of notice of the applicable meeting). Each such notice shall

state the purposes of the meeting and the time and place where it is to be held, and no business shall be transacted at such meeting except as stated in the notice. All notices hereunder shall be given by personal delivery, mail, nationally recognized overnight courier or telecopy, at least 10 business days prior to the date fixed for the meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners in the manner provided above, at least 30 days prior to the date fixed for such meeting and such notice shall be accompanied by a copy of the text of such proposed amendment.

3.5 Lack of Quorum. Subject to the terms and provisions of subsection 2.4.4, if any meeting of Unit Owners cannot be held because a quorum is not present, the Unit Owners who are present at such meeting, either in person or by proxy, may act by majority vote to either: (a) adjourn the meeting from time to time until a quorum exists; or (b) reconvene the meeting at a time (specified on not less than three business days' notice, by personal delivery, nationally recognized overnight courier or telecopy, to the absent Unit Owners) when no quorum requirement shall apply.

3.6 Order of Business. The order of business at all regular meetings of Unit Owners shall be as follows:

(a) Call to order.

(b) Roll call.

(c) Proof of notice of meeting.

(d) Reading of minutes of preceding meeting.

(e) Reports of officers.

(f) Reports of members of the Board.

(g) Reports of committees.

(h) Election of inspectors of election (when so required).

(i) Election of members of the Board.

(j) Unfinished business.

(k) New business.

(l) Adjournment.

3.7 Title to Units. Title to Units may be taken by any individual, corporation, partnership, limited liability company, association, trust, fiduciary or other entity, or any two or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate.

3.8 Voting.

3.8.1 Each Unit Owner, or a person designated by such Unit Owner to act as proxy on its behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Unit Owners and at all joint meetings of Unit Owners. The designation of any such proxy shall be made in a signed and dated writing to the Secretary of the Condominium and shall be revocable at any time by written notice actually delivered to such Secretary by the Unit Owner who had made the designation; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six months (except that the designation of a Permitted Mortgagee to act as the proxy of its mortgagor shall be effective until duly revoked). A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity.

3.8.2 If two or more persons or entities own a Unit, they shall designate one person or entity amongst them to vote the entire Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon such designors. Failing such a designation, all of such persons or entities shall mutually vote such Common Interest under one ballot, without division, and the concurrence of such persons or entities shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being made contemporaneously to the party presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

3.8.3 Neither the Board nor its designee shall be entitled to vote the interest appurtenant to any Unit owned by the Board or such designee, and the Common Interest of such Unit shall be excluded from the total Common Interests when computing the interests of Unit Owners for quorum and voting purposes.

3.8.4 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or its proxy) entitled to vote thereat (including Sponsor or its designee with respect to Unsold Units) shall be entitled to cast one vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to its Unit or Units including without limitation, for each Board member to be elected.

3.8.5 Whenever a particular percentage of Common Interest must be reached for voting purposes and such required percentage is described in terms of a percentage of a particular class of Unit Owners, as a group (e.g. x% of all Residential Unit Owners), as opposed to a percentage of all Unit Owners, such required percentage shall mean a percentage in terms of the total Common Interests attributable to the particular class of Unit Owners and not the percentage of Common Interests attributable to all Unit Owners.

3.9 Majority of Unit Owners. Except as may otherwise be provided by law, as used in these By-Laws and in the Declaration, the term "Majority of Unit Owners" means those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the provisions of Section 3.8), who are present in person or by proxy and voting at a duly constituted meeting at which a quorum is present or is not required.

3.10 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning Units to which more than 50% of the aggregate Common Interests attributable to all Units are appurtenant, shall constitute a quorum at all meetings of Unit Owners.

3.11 Majority Vote. Except where otherwise provided by law, the Declaration or these By-Laws, at all meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

ARTICLE 4

OFFICERS

4.1 Designation. The principal officers of the Condominium shall be a President, Vice President, and Secretary/Treasurer thereof, all of whom shall be elected by the Board. The Board may elect more than one Vice President, or an Assistant Treasurer, or Assistant Secretary and such additional officers as in its judgment may be desirable. Unless prohibited by applicable law, any two or more offices of the Condominium may be held by the same person. None of the officers of the Condominium need be Unit Owners or have any interest therein until the first organizational meeting of the Board, which shall be held within 90 days after the First Annual Meeting. Thereafter, the President of the Condominium must be a member of the Board.

4.2 Election of Officers. The officers of the Condominium shall be elected annually by the Board at the organizational meetings thereof and at any other meeting as may be required to fill a vacancy, and shall serve at the pleasure of the Board; except that the initial officers of the Condominium shall be elected by the First Board and shall hold office at the pleasure of such First Board and until their successors are elected.

4.3 Resignation and Removal of Officers. Any officer may resign at any time by written notice given in accordance with the terms of Section 5.1 of these By-Laws to the Board; such resignation shall take effect at the time specified and, unless specifically requested by the resigning officer, acceptance of such resignation shall not be necessary to make it effective. Except as otherwise required by these By-Laws with respect to designation of officers of the Condominium, upon the affirmative vote of a majority of the members of the Board present in person or by proxy at a regular meeting of the Board, or at a special meeting of the Board called for such purpose, at which a quorum is present or is not required pursuant to Section 2.11.2, any officer may be removed, either with or without cause, and his or her successor shall be elected.

4.4 President. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all meetings of Unit Owners and of the Board. The President shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners from time to time as such President, in his or her discretion, may decide are appropriate to assist in the conduct of the affairs of the Condominium. From and after the first organizational meeting of the Board after the First Annual Meeting, the President of the Condominium must be member of the Board.

4.5 Vice President. The Vice President of the Condominium shall take the place of the President under whom he or she serves and shall perform the duties of the President whenever the President shall be absent or unable to act. If both the President and the Vice President of the Condominium are unable to act, the Board shall appoint some other member of the Board to act in the place of such President and Vice President on an interim basis. The Vice President shall also perform such other duties as, from time to time, shall be imposed by the Board or by the President.

4.6 Secretary/Treasurer. The Secretary/Treasurer of the Condominium shall keep the minutes of the meetings of the Unit Owners and of the Board. The Secretary/Treasurer shall have charge of such books and papers as the Board shall direct and, in general, shall perform all of the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York. In addition, the Secretary/Treasurer of the Condominium shall have the care and custody of the funds and securities of the Condominium, and shall be responsible for keeping full and accurate financial records and books of account thereof showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Board (or in the name of the managing agent or manager appointed by the Board) in such depositories as may from time to time be designated by such Board and shall, in general, perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by the President or Vice-President, acting alone, or by any other two officers thereof or by such other person or persons as may be designated by the Board. In addition to the foregoing, the Board may authorize the managing agent serving on its behalf to execute checks, provided that the expenditures, and the managing agent's paying for same, have been approved in advance by resolution of the Board or have been authorized by two officers of the Condominium.

4.8 Compensation of Officers. Except as otherwise determined by the Board, no officer shall receive any compensation for acting as such.

4.9 Liability of Officers.

4.9.1 To the extent permitted by applicable law, no officer of the Condominium shall have any personal liability with respect to any contract, act or omission of the officers in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners). To the extent permitted by applicable law, officers shall have no liability to Unit Owners except that an officer shall be liable for his or her own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify, defend and hold harmless each officer against any liability or claim except those arising out of such officer's own bad faith or willful misconduct.

4.9.2 None of the officers of the Condominium shall be liable for either (i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, any such officer or to be paid for as a Common Expense, except when any such failure or

interruption is caused by the acts of bad faith or willful misconduct of such officer; or (ii) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or any Common Element, which is either: (a) caused by the elements, by any Unit Owner or by any other individual, (b) resulting from electricity, or from water, snow or ice that may leak or flow from a Unit or any portion of any Common Element, or (c) arising out of theft or otherwise; except in each case when caused by the acts of bad faith or willful misconduct of such officer.

ARTICLE 5

NOTICES

5.1 Notices. Except as otherwise provided in these By-Laws: (a) all notices required or desired to be given hereunder to the Board shall be in writing and either delivered in person (only in the case of a notice to any of the Board) or sent by registered or certified mail, return receipt requested, or by nationally recognized overnight courier service to the principal office of the Board (or to such other address as the Board may designate from time to time by notice in writing to all Unit Owners and to all Permitted Mortgagees) and a duplicate shall be sent in like manner to the Managing Agent; (b) all notices required or desired to be given hereunder to any Unit Owner shall be in writing and either delivered in person or sent by registered or certified mail, return receipt requested, or by nationally recognized overnight courier service to the address of such Unit Owner at the Property or to such other address as may have been designated by such Unit Owner from time to time in writing to the Board; and (c) all notices required or desired to be given hereunder to Permitted Mortgagees shall be in writing and either delivered in person or sent by registered or certified mail, return receipt requested, or by nationally recognized overnight courier service to their respective addresses, as may have been designated by such Permitted Mortgagees from time to time in writing to the Board. All notices shall be deemed to have been given when delivered in person (to the extent permitted herein) or three days after deposit in a depository maintained by the U.S. Postal Service in a postage prepaid sealed wrapper, or the first business day after deposit with an overnight courier service, as the case may be, except that notices of change of address shall be deemed to have been given when received.

5.2 Waiver of Service of Notice. Whenever any notice is required to be given by law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6

OPERATION OF THE CONDOMINIUM

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 The Board shall, from time to time, but at least annually, prepare or cause to be prepared a budget setting forth its projection of the costs and expenses in connection with the repair, maintenance, replacement, restoration, care, upkeep and operation of, and any alteration, addition or improvement to, the Common Elements, the provision of services to Unit Owners and the business and affairs of the Condominium (the "Common Expenses") for the next

fiscal year and will allocate and assess charges (such charges, together with all such other amounts denominated or payable as common charges in or under the Declaration or these By-Laws, being collectively, the "Common Charges") to and among (a) the Residential and Storage Units, (b) Commercial Unit 1, and (c) Commercial Unit 2 the Common Expenses in the manner provided herein and/or in the Declaration to meet the Common Expenses. Common Expenses shall (subject to Section 2.2.5 hereof) include, without limitation: (i) such amounts as the Board may deem proper for the establishment of and/or changes to reserves, including, without limitation, a general operating reserve or a reserve for working capital or for replacements with respect to the Common Elements; (ii) such amounts, determined by the Board, as may be required for the purchase, lease or sublease by the Board or its designee, on behalf of all Unit Owners, of an apartment to be used as the residence of the Resident Building Manager or superintendent, if any, or of any Residential Unit whose owner has elected to sell, lease, transfer or convey such Residential Unit or which is to be sold at a foreclosure or other similar sale; and (iii) all such other items as are provided for in the Declaration or these Residential By-Laws to be Common Expenses.

6.1.2 Residential Unit Owners and Storage Unit Owners will be assessed Common Charges to meet the Residential Units' and Storage Units' allocated share of Common Expenses and the Common Charges payable by each Residential Unit Owner and Storage Unit Owner, except as may be specifically otherwise provided in the Declaration and/or By-Laws will be in proportion to each such owner's applicable Unit's percentage Common Interest compared to the total Common Interest of all Residential Units and Storage Units; however, notwithstanding anything to the contrary contained in this subsection, the costs of repair, maintenance, replacement, restoration, care, upkeep and operation of, and any alteration, addition or improvement to, the Residential Limited Common Elements described in subsection 6.6.2(d) shall be paid for in the manner described therein. Each Commercial Unit Owner will be assessed Common Charges to meet the share of only those Common Expenses allocated to such Commercial Unit by the Board. Each Commercial Unit Owner's share of Common Expenses will be limited to a share of only certain components of the Common Expenses. In addition to basing certain elements of Common Charges on Common Interests, the Residential Board may also assess the same in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable, as determined by the Board. The Board shall advise all Unit Owners promptly in writing of the amount of Common Charges payable by each of them and shall furnish copies of each annual budget on which such Common Charges are based to all Unit Owners and, if requested, to Permitted Mortgagees thereof.

6.1.3 The Board may, in its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners, and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. However, a prior period's deficit may be included in Common Charges for a subsequent period or levied from a special assessment levied against all Unit Owners or Residential Unit Owners, as the case may be.

6.1.4 The failure or delay of the Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a

waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In the event of such failure by the Board, the Common Charges thereafter allocable to the Units until a new determination of Common Charges is made shall be computed as set forth in the By-Laws. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses can be made.

6.1.5 In addition to the foregoing duty to determine the amount of and to assess Common Charges, the Board shall have the right to levy special assessments to meet the Common Expenses (or a prior period's deficit, in accordance with subsection 6.1.2). All special assessments shall be levied against all Unit Owners (or, as applicable, all Residential Unit Owners) in proportion to their respective Common Interests or, as reasonably determined by the Board, consistent with the allocation of Common Expenses within the Condominium's budget. The Board shall have all rights and remedies for the collection of special assessments as are provided herein for the collection of Common Charges (including, without limitation, perfecting a lien against the defaulting Unit).

6.1.6 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any General Common Element or Residential Limited Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Board, as agent for and on behalf of all Unit Owners (in the case of any General Common Element) or the Residential Unit Owners (in the case of the Residential Limited Common Elements), and shall constitute income of the Unit Owners or the Residential Unit Owners, as applicable. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental, licensing or use of any space in the Building be deemed to be derived from the rental, licensing or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space. The foregoing shall not act as a limitation on the rights of the owner of Commercial Unit 1 as set forth in Section 15.9 of the Declaration or any other right expressly granted herein or in the Declaration in favor of Sponsor or such Commercial Unit Owner.

6.1.7 Subject to the terms of this Article 6, the Common Expenses shall initially be allocated among (a) the Residential Units and Storage Units, (b) Commercial Unit 1, and (c) Commercial Unit 2, as set forth in the footnotes to Schedule B in the Plan. Each Commercial Unit Owner will be assessed Common Charges to meet the share of only those Common Expenses allocated to its respective Commercial Unit as provided in Section 6.1.1 above. The Board shall periodically, but not less than once per year, review the Common Expenses to determine whether each category of Unit Owners is paying its fair share of the Common Expenses. Such redetermination shall also be made if any Commercial Unit is subdivided, the use of the same is changed, or the owners of 50% or more in percentage Common Interests of any category of Units request such a redetermination (which request may be made periodically, but not more often than once per year). If, as a result of a regular review, a redetermination based upon changed circumstances, or a redetermination requested by Unit Owners, such Unit Owners and the Board cannot agree upon any decision or determination to be made, the same shall be submitted for arbitration in accordance with the terms of Article 11 of

these By-Laws. Pending the resolution of the dispute, the Unit Owners in question shall continue to pay Common Charges upon the allocations theretofore in force, and any variation in such Common Charges based upon such resolution shall be retroactive to the date of the review, redetermination, or request for redetermination, as the case may be. In no event, however, shall any expenses incurred by the Board for creating or increasing reserves, whether for repairs, replacements, or otherwise, be included when computing or redetermining the allocations of the Common Expenses. In addition to basing allocations of Common Expenses on Common Interests, the Board may also make allocations and assessments of Common Expenses based upon submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the law.

6.2 Payment of Common Charges.

6.2.1 All Unit Owners shall be obligated to pay to the Board Common Charges assessed by the Board pursuant to the provisions of Section 6.1 at such time or times as the Board determines. Unless otherwise determined by the Board, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.2.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a permissible sale, transfer or other conveyance by it (made in accordance with these By-Laws) of such Unit, together with its appurtenant Common Interest, except as expressly provided herein. Any Unit Owner may, subject to the terms and conditions of these By-Laws, convey its Unit, together with its appurtenant Common Interest, without consideration, to the Board or its designee, on behalf of all Unit Owners, and in such event (except as hereinafter set forth), be exempt from Common Charges thereafter accruing, provided that at the time of such conveyance: (a) such Unit is free and clear of liens and encumbrances other than the statutory lien for unpaid Common Charges (provided that no amounts are owing under any such lien); 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. However, in no event may a Unit Owner exempt itself from liability for Common Charges by waiving use of any of the Common Elements or by abandoning its Unit. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to its acquisition thereof, except that, to the extent permitted by law, a Permitted Mortgagee acquiring title to a Unit at a foreclosure sale shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges assessed against such Unit subsequent to the recording of such Permitted Mortgage and prior to the acquisition of title to such Unit by such mortgagee; the foregoing is subject to the provisions of the last sentence of subsection 6.3.1 hereof. However, in the event of a foreclosure of a Unit by a Permitted Mortgagee (whether by sale, deed in lieu of foreclosure or otherwise) or by the Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale actually received (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred by such Permitted Mortgagee in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, or if a Unit is acquired by a mortgagee or purchaser in foreclosure, 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, as provided in these By-Laws.

6.2.3 Notwithstanding the provisions of subsection 6.2.1, any Unit Owner that is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by any foreign government (i.e. diplomatic or sovereign immunity) shall deposit with the Board an amount equal to the Common Charges for such Unit for a period of two (2) years as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of these By-Laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of these By-Laws, the Board may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any Common Charges or any other sum as to which Unit Owner is in default.

6.3 Default in Payment of Common Charges; Lien for Unpaid Common Charges; Other Remedies.

6.3.1 Except to the extent prohibited by law, the Board, on behalf of all Unit Owners, shall have a lien for Common Charges unpaid by any Unit Owner, together with interest thereon, on all Units owned by such Unit Owner. Such lien for Common Charges shall be subordinate only to liens for real estate taxes and, to the extent required by applicable law, to prior recorded Permitted Mortgages on such Units, which are first mortgages of record.

6.3.2 In the event any Unit Owner fails to make payment of Common Charges when due, such Unit Owner shall be obligated to pay: (a) a "late charge" of $.04 for each dollar of such amounts which remain unpaid for more than 10 days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid); and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by law) on such unpaid amounts (exclusive of any "late charges" theretofore assessed on such amounts) computed from the due date thereof, together with all expenses, including, without limitation, attorneys' fees and expenses paid or incurred by the Board or by the Managing Agent 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, whether as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by law. In addition, if the Board shall bring an action to foreclose such lien because of unpaid Common Charges, the defaulting Unit Owner shall be required to pay a reasonable fee for the use and occupancy of its Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. All such "late charges", interest, expenses and fees shall be added to and shall constitute Common Charges payable by such Unit Owner; and the lien for unpaid Common Charges shall also secure the payment of such additional sums. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges.

6.3.3 In any action brought by the Board to foreclose a lien on a Unit because of unpaid Common Charges, the Board, acting on behalf of all Unit Owners, shall have the power (but shall not be obligated) to purchase any such Unit at the foreclosure sale thereof, and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit (but not to vote the interests appurtenant thereto). In the event the net proceeds received on a foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and

expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit, as provided in these By-Laws.

6.3.4 For the purposes of this subsection 6.3.4, "non-occupying owner" shall mean a Unit Owner who or which does not occupy its Unit.

(a) If a non-occupying owner rents any Unit to a rental tenant and then fails to make payments due for Common Charges or any other amounts payable by such Unit Owner to the Board, including, without limitation, assessments and/or late fees (all of the foregoing, collectively, "Payments") for such Unit within 60 days of the expiration of any grace period after the same are due, upon notice in accordance with subdivision (b) of this subsection, all rental payments from the tenant shall be directly payable to the Board.

(b) If the Payments for any Unit have not been paid in full, within 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 are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the 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 from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the Board's claim to rental payments pursuant to this subsection shall be entitled to present facts supporting such Unit Owner's position at the next scheduled meeting of the Board, which must be held within 30 days of the date that such Board receives notice that such owner seeks to dispute such claim.

(c) Nothing in this subsection shall limit any rights of any Unit Owner or the Board existing under any other law or agreement.

(d) Payment by a rental tenant to the Board made in connection with this subsection 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.

6.4 Insurance.

6.4.1 The Board shall be required to obtain and maintain, to the extent obtainable at commercially reasonable rates, and to the extent determined by the Board to be appropriate, the following insurance: (a) property insurance with all risk extended coverage (excluding terrorism and mold coverage), vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings, decorations, appliances or other personal property not constituting a part of such Unit), together with all service machinery contained therein, and covering the interests of the Condominium, the Board and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings), without deduction for depreciation; (b) rent insurance in an amount equal to Common

Charges for one year; (c) workers' compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Board; (f) water damage insurance to the extent, if any, determined by the Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all officers, Board members, directors and employees of the Condominium and of the Managing Agent who handle funds of any of the foregoing; (i) directors' and officers' liability coverage; and (j) such other insurance as the Board may determine from time to time. The Board will not be required to obtain or maintain terrorism or mold coverage but may do so, and in such event, the cost thereof shall be a Common Expense as described in Section 6.1.1 above. Each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee, as its interest may appear, subject, however, to the loss payment provisions hereinafter set forth. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a Common Expense and shall be allocated among the Units on the basis of Common Interests. In the event that assessing insurance premiums on the basis of Common Interests does not substantially reflect the premium charges for actual coverage for any of the Residential Units, the Storage Units or the Commercial Units, and the Commercial Unit Owners and the Board fail to agree on a manner to accurately allocate the premiums, the matter shall be determined by Arbitration.

6.4.2 To the extent obtainable at commercially reasonable premiums, all fire, casualty and general liability insurance policies which the Board is required to maintain must provide that each Unit Owner is an additional insured party and contain, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least 30 days' prior written notice to all of the insureds, including the Board, all Unit Owners and Permitted Mortgagees, who have requested the same from the Board in writing. Duplicate originals or certificates of insurance of all policies of insurance and of all renewals thereof, if obtainable, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees who have requested the same from the Board in writing. Renewals shall be obtained at least 10 days prior to the expiration of the then current policies.

6.4.3 All such policies shall provide that adjustment of loss shall be made by the Board unless the loss involves solely the Commercial Units, in which event adjustment shall be made by the Commercial Unit Owners. Insurance proceeds with respect to any loss shall be payable to the Board or Unit Owners entitled to adjust such loss, as aforesaid, except that the proceeds of all policies of physical damage insurance, if in excess of $2,500,000, shall be payable to a New York City bank or trust company designated by the Board as Insurance Trustee (as hereinafter defined) pursuant to the provisions of Section 12.7. Any dispute between the Board and the Commercial Unit Owners under this subsection 6.4.2 shall be determined by Arbitration.

6.4.4 The amount of fire insurance and all risk extended coverage to be maintained with respect to the Condominium (including each Unit, but excluding such items noted in subsection 6.4.1 to be excluded) until the first Board meeting following the First Annual Meeting of Unit Owners shall be 100% of the full replacement cost of the Property or "the amount provided for in the First Year's Budget.

6.4.5 All policies of physical damage insurance shall provide that such policies may not be cancelled or substantially modified without at least 30 days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees, who have requested the same from the Board in writing. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, if obtainable, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees who have requested the same from the Board in writing.

6.4.6 The Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such amounts as from time to time are carried by prudent owners of comparable properties in the City of New York, and in such limits as the Board, from time to time, may determine, covering (i) the Board, the Managing Agent, each Board member, each officer and employee of the Condominium, and (ii) each Unit Owner and their agents and Permitted Mortgagees, if any, except that such policy will not cover liability of a Unit Owner arising from occurrences within or about its own Unit or within or about the Common Elements, if any, exclusive to its Unit. The Board shall review such limits once each year. Until the first meeting of the Board following the first annual meeting of Unit Owners, such liability insurance with respect to any occurrence, as well as umbrella coverage, shall be in at least the respective amounts provided therefor in the First Year's Budget and at no time and in no event shall such comprehensive general liability insurance afford protection to the limit of less than such amounts (to the extent then reasonably obtaining by the Board). The Board shall also be required to obtain and maintain fidelity insurance covering the Board, the Managing Agent, each Board member and each officer and employee of the Condominium in respect of the maintenance and/or operation of the Building or any part thereof. The insurance required in accordance with this subsection 6.4.5 shall also cover cross-liability claims of one insured against another.

6.4.7 Any insurance maintained by the Board may provide for such commercially reasonable deductible amounts as the Board determines.

6.4.8 If the use of any Unit causes an increase in the premium for the insurance which the Board is required to obtain and maintain, as set forth herein or otherwise, then the owner of such Unit shall be obligated to pay to the Board a sum equal to the amount of such increase attributable to such use.

6.4.9 The Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit or any liability with respect to occurrences within or about a Unit or the Common Elements, if any, exclusive and/or appurtenant thereto. Consequently, all Unit Owners are required to obtain and maintain comprehensive general public liability insurance against claims for personal injury, death or property damage occurring in, on or about such Unit Owner's Unit or the Common Elements, if any, exclusive to his or her Unit, affording protection of at least $1,000,000 per occurrence plus at least $3,000,000 umbrella liability coverage which shall be issued by an insurance company qualified to do business in the State of New York and approved by the Board, acting reasonably; and the Board, the Managing Agent and Sponsor shall be named as additional insureds on such insurance policies. Subject to the requirements herein, Unit Owners shall not be prohibited from carrying other insurance for their own benefit, at their own expense and the Board shall not be prohibited from carrying

additional insurance; provided, however, all policies of insurance obtained by any Unit Owner with respect to occurrences within or about a Unit or the Common Elements appurtenant thereto shall contain a waiver of the insurer's rights of subrogation against the Board. The liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. To the extent any party is insured, or required to be insured for loss or damage to property hereunder, each party will look to its own insurance policies for recovery.

6.4.10 All policies obtained by any Unit Owner shall be primary with respect to the risks insured thereunder and shall contain waivers of subrogation, if available, and shall further provide that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any additional insurance carried by any other Board Owner and shall, to the extent obtainable, contain a waiver of the insurer's right of subrogation against the Board. On or prior to the date upon which any given Unit Owner acquires title to its Unit, each such party shall deliver to the Board certificates evidencing the insurance required to be maintained by such Unit Owner hereunder. Evidence of each renewal or replacement of a policy shall be delivered by Unit Owner to the Board at least ten (10) days prior to the expiration of such policy.

6.4.11 If the fire and casualty insurance for the Building is increased because all or part of a Commercial Unit is used as a restaurant, then that Commercial Unit Owner shall pay such increased cost to the Board upon demand therefor by the Board.

6.4.12 Any insurance coverage(s) required to be obtained by the Board may be satisfied by any so-called builder's risk policy obtained by Sponsor in connection with the construction of the Building, provided the limits and terms of such policy are adequate to meet the terms and conditions set forth in this Article 6. To the extent any such policy obtained and paid for by Sponsor shall satisfy the insurance requirements of the Board for the Condominium in respect of any period following the First Closing, the Board shall reimburse Sponsor for its prorated share of the cost of such coverage.

6.4.13 Until payment of the debt under the mortgage securing Sponsor's Construction Loan (the "Construction Mortgage") is made in full or until such mortgage is assigned by Construction Lender to Sponsor's designee, whichever occurs first, the Board must comply with the obligations the Construction Mortgage (which provisions set forth the Board's obligations with respect to the maintenance of insurance during such period).

6.5 Repair or Reconstruction after Fire or Other Casualty.

6.5.1 In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty (unless three-fourths or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board will arrange for the prompt repair and restoration thereof (including each Unit, but excluding appliances, improvements, betterments, equipment, furniture, furnishings or other personal property in any such Unit) and the Board or the Insurance Trustee (as defined in Section 12.7 below), as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. If only the Commercial Units are destroyed or

damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owners will bear the entire amount of the deficit, or shall receive all of the surplus, as the case may be, in proportion to their respective Common Interests. Similarly, if only the Residential Units or Storage Units and/or the Residential Limited Common Elements are damaged or destroyed by fire or other casualty and the insurance proceed are less than sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be borne or shared entirely by all Residential Unit Owners and Storage Unit Owners in proportion to their respective Common Interests. If said damage or destruction by fire or other casualty affects the General Common Elements, or any combination of the Residential Units, the Commercial Units, and the Storage Units, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners, or by the Unit Owners of the affected portions of the Building, as appropriate, in proportion to their respective Common Interests. Any surplus payable to any Unit Owner pursuant to this subsection 6.5.1 shall be lessened by such amounts as may be required to discharge unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order of priority of such liens.

6.5.2 If three-fourths or more of the Building is destroyed or substantially damaged and if 75% or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with the repair or restoration thereof, the Building (or so much thereof as remains) will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners : (i) first, by apportioning such proceeds in the aggregate among each class of Unit (i.e., Residential, Storage and Commercial) pursuant to an appraisal of fair market values to be performed by a panel of three independent appraisers (one of whom shall be selected by the Board, one of whom shall be chosen by the Commercial Unit Owners, and the third chosen by the other two appraisers); and (ii) then among the Unit Owners within each class of Unit in proportion to the respective Common Interests of such Units; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens.

6.5.3 As used in this Section 6.5, the words "promptly resolve" shall mean not more than 60 days after the date of the damage or destruction in question occurs.

6.5.4 Any dispute between the Board and a Unit Owner under this Section 6.5 shall be settled by Arbitration (as provided in Article 11).

6.6 Maintenance and Repairs.

6.6.1 Except as otherwise provided in the Declaration or these By-Laws: (a) all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, and all maintenance, repairs and replacements of all plumbing, heating and lighting fixtures, heating and air-conditioning units and appliances (i) in or to any Unit (excluding Common Elements included therein except as otherwise provided in these By-Laws) and the interior side of entrance doors thereto, shall be made by the owner of such Unit at its sole cost and expense; provided that, except in the case of work to be done in

Unsold Units, the Unit Owner thereof will utilize only such contractors, workers or suppliers as are either on the Managing Agent's then approved list, which list may change from time to time, or are otherwise reasonably acceptable to the Managing Agent and the Board, in the Managing Agent's and the Board's sole discretion; (ii) in or to the General Common Elements (unless caused by or attributable to a Unit Owner, in which case such Unit Owner shall be responsible for the entire cost), shall be made by the Board and the cost and expense thereof shall be charged as a Common Expense to all Unit Owners, or (iii) in or to the Residential Limited Common Elements (unless caused by or attributable to a Unit Owner, in which case such Unit Owner shall be responsible for the entire cost) shall be made by the Board, and the cost and expense thereof shall be charged to all Residential Unit Owners in proportion to their respective Common Interests; provided, however, that a Residential Unit Owner having use of a Terrace or Balcony shall be responsible for ordinary maintenance and cleaning thereof; (b) a Unit Owner shall not be responsible for the cost of painting, decorating, maintenance, repairs or replacements on or to any Unit other than to its own Unit (and any Limited Common Elements included in or appurtenant to any such Unit), except to the extent otherwise provided herein; and (c) each Unit and all portions of the Common Elements shall be kept in a clean and sanitary condition, and in good working order (and all portions thereof exposed to public view shall be kept in a neat appearance and in first-class condition in accordance with the high quality, character and dignity of the Building), in each case, by the Unit Owner or the Board, whichever is responsible, under the By-Laws, for the maintenance thereof. In the event that any Unit Owner fails to keep his or her Unit in such condition, the Board, at the expense of such Unit Owner, may enter such Unit and perform such acts as are necessary to cure such default. Without limiting the foregoing, Unit Owners shall be responsible for all maintenance, repairs and replacements of all plumbing, appliances and lighting fixtures, and heating, ventilation and air conditioning units in their respective Units. Notwithstanding the forgoing, (i) each Residential Unit Owner shall be responsible for all ordinary maintenance, repairs, replacements and cleaning of each Terrace or Balcony appurtenant to its Residential Unit (including, without limitation, replacement of tiles); however, the costs and expenses of any extraordinary or structural repairs or replacements, (including, without limitation, work necessary to repair any leaks) with respect to each such Terrace or Balcony (unless caused by or attributable to a given Unit Owner, in which case such Unit Owner shall be responsible for the entire cost), shall be charged to all Residential Unit Owners as a Common Expense, (ii) the Residential Unit Owners shall bear the entire cost all ordinary maintenance, repairs, replacements and cleaning of the Empire Club Terrace and the residents' courtyard as a Common Expense of the Residential Unit Owners, and (iii) the costs and expenses of any extraordinary or structural repairs or replacements with respect to the roof over the Commercial Units (unless caused by or attributable to a given Unit Owner, in which case such Unit Owner shall be responsible for the entire cost) shall be charged to all Unit Owners as a Common Expense.

6.6.2 Notwithstanding the provisions of subsection 6.6.1:

(a) In the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof (including, without limitation, any Unit) is necessitated by or attributable to the negligence, misuse, neglect or abuse of (i) any one or more Unit Owner(s) or its or their tenants, agents, invitees, licensees or guests, the entire cost thereof shall be borne entirely by such Unit Owner, or (ii) the Board or its tenants, agents, invitees, licensees or guests, the entire cost thereof shall be charged to all Unit Owners as a Common

Expense, except to the extent in any case that such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

(b) Except as may otherwise be expressly provided herein, no Unit Owner may install, inscribe or expose any signage on or at any window or any other part of the Common Elements. Notwithstanding the forgoing, provided the same comply with all applicable Legal Requirements: (i) there are no restrictions on the ability of the Commercial Unit Owners to place any signs inside the Commercial Units (or the windows thereof); and (ii) the Commercial Unit Owners will be permitted to place signs, awnings, canopies, marquees and the like on the exterior of the Commercial Units, provided that no flashing, blinking or neon sign shall be placed in the windows or in any display or other area visible to public view from the outside of the Commercial Units and such items do not otherwise violate the provisions of these By-Laws (other than the first sentence of this subparagraph (b)) or the Declaration. Additionally, notwithstanding the forgoing, Sponsor, any holder of Unsold Units and the Board shall have an easement to erect, maintain, repair and replace signs, notices, advertisements and illuminations on portions of the Property, including, without limitation, on the portions of the Building, on or at windows and in interior public spaces of the Building (but in no event within the interior of or on the exterior of the Unit owned by any other party), for the purposes of advertising the availability of Units for sale or lease by Sponsor or its designee and/or, in the case of the Board, for any other valid business purpose (provided no such item placed by the Board shall occupy any space required by Sponsor or any Commercial Unit Owner and or obstruct or interfere with any signs or other such installations placed by Sponsor or the Commercial Unit Owners).

(c) The interior and exterior glass surfaces of all windows located in any Unit (other than the Commercial Units, with respect to which the provisions of Section 6.7 hereof shall apply) shall not be altered, colored or painted. The washing and cleaning of interior and exterior glass surfaces of windows in the Units shall be the responsibility of the respective Unit Owner. All windows shall be cleaned a minimum of two times per calendar year or such other greater frequency as may be determined by the Board. The Board may from time to time enforce the responsibility of Unit Owners to wash and clean the interior and exterior surfaces of windows located in their respective Units and charge the defaulting Unit Owner therefor. Any replacement of glass windows in any Residential Unit, because of breakage or otherwise, shall be made by the Board, and charged to the Residential Unit Owners, as a Common Expense on an allocated basis (unless such breakage is caused or attributable to negligence, misuse, neglect or abuse of one or more Unit Owner(s) or its or their tenants, agents, invitees, licensees or guests, in which event such replacement of glass windows shall be made by the Board, at the expense of such Unit Owner(s)) to the extent that the Board's insurance does not cover the same. Any replacement of glass windows in a Commercial Unit, because of breakage or otherwise, shall be promptly performed by the affected Commercial Unit Owner at its sole cost and expense (except to the extent the need to replace same results from the negligence, misuse or abuse of another Unit Owner or the Board.) (a) Unit Owners are prohibited from cleaning or allowing to be cleaned any window from the outside in violation of Section 202 of the New York State Labor Law, any other applicable Legal Requirements, any insurance policy or requirement or otherwise. In the event that, under applicable Legal Requirements, any exterior windows in the Residential Units must be reduced in size or closed, the owner of the affected Unit shall solely bear the costs relating to such reduction or closure and, in the event that closure is required, such windows will be enclosed by the Board, at the sole cost of the affected Residential Unit Owner.

(d) Except as otherwise provided in Section 6.6.1, all normal maintenance, repairs and replacements of any Residential Limited Common Element appurtenant to a Unit (e.g., a terrace or balcony) shall be made by the Unit Owner having exclusive access thereto, at its own cost and expense; any structural or extraordinary repairs or replacements thereto (including, without limitation, leaks) shall be made by the Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Common Expense, unless due to the negligence, misuse, neglect or abuse of such Unit Owner or its tenant, agent, invitee, licensee or guest, in which event such Unit Owner shall bear the entire cost thereof, and the same shall, for all purposes hereunder, constitute part of the Common Charges payable by such Unit Owner.

6.6.3 Each Unit and all portions of the Common Elements shall be kept in the condition and otherwise in such manner that standards of quality and appearance are maintained which are appropriate for a luxury residential condominium project (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Board, whichever is responsible for the maintenance thereof under the Declaration or these By-Laws, and such Unit Owner or the Board shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, the public areas of the Building and those areas which are exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by: (a) the Board, with respect to such parts of the Building it is required to maintain under the Declaration or these By-Laws; and (b) each Unit Owner, with respect to the windows and window shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to its Unit, as well as those other areas of such Unit and its appurtenant Residential Limited Common Elements (if any) which are exposed to public view. To promote a consistent appearance of the Building from the outside, any window treatments or shades installed and maintained in any Residential Unit must have a neutral-colored backing on the sides facing the windows in its Unit, which window treatments and backings must conform to any specifications (including a new color) established from time to time by the Board.

6.6.4 In the event that any Unit Owner, after receipt of written notice from the Board, fails or neglects in any way to perform any of its obligations with respect to the maintenance, repair or replacement in or to its Unit as provided in this Article 6 or of any Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Board may perform or cause to be performed such maintenance, repair or replacement unless such Unit Owner, within 10 days after receiving notice of such default by the Board, (except in the event of an "emergency", i.e., a condition requiring repairs, replacements or installations immediately necessary for the preservation or safety of all or any portion of the Property or for the safety of occupants of the Building or other persons, or required to avoid the suspension of any necessary service in the Building or with respect to all or any portion of the Property), cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences (within such 10 day period) and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred by the Board in connection with the making of any such maintenance, repair or replacement in or to such Unit Owner's Unit or to any such Common Element for which such Unit Owner is responsible as aforesaid, together with interest thereon at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by law), shall be immediately

payable by such Unit Owner to the Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

6.7 Alterations of Units.

6.7.1 Except as otherwise provided in the Declaration or these By-Laws:

(a) No Residential Unit Owner or Storage Unit Owner (other than Sponsor or its designee as the owner of Unsold Units) shall make any alterations, additions, installations, improvements, replacements or repairs (all of the foregoing being, collectively, "Alterations") in or to its Unit which affects the structure or systems of the Building (including, without limitation, the mechanical, electrical, plumbing, heating, ventilating and/or air-conditioning systems thereof), without obtaining the prior written consent of the Board thereto. Prior to, and as a condition of, the granting of its consent to the making of any such Alteration in or to a Unit, the Board, at its option, may require any Residential Unit Owner to execute an agreement, in form and substance satisfactory to the Board, setting forth the terms and conditions under which such Alteration (as defined below) may be made. Any Unit Owner seeking to perform such work requiring the consent of the Board shall be liable for all costs and expenses incurred by the Board in obtaining such consent.

(b) All repairs which would affect the structure or systems of the Building (including, without limitation, the mechanical, electrical, plumbing, heating, ventilating and/or air-conditioning system thereof, but excepting any system which exclusively serves the Unit in question) and all Alterations to any Residential Unit shall be made in accordance with plans and specifications, which plans and specifications shall be subject to review and approval by the Board.

(c) The Board may impose fees upon any Residential Unit Owner to reimburse the Condominium for the reasonable costs actually incurred by the Board in connection with the review and supervision of such Unit Owner's work.

6.7.2 All Alterations by a Unit Owner shall be performed:

(a) at the Unit Owner's sole cost and expense (which shall include, without limitation, the reasonable costs actually incurred by the Board (e.g., for third-party consultants) in reviewing and approving such Unit Owner's submission for approval (if such approval is required under these Bylaws) and in monitoring such Unit Owner's compliance with the provisions of this Section 6.7);

(b) in a manner which will not interfere with, or cause any labor disturbances or stoppages in, the work of Condominium employees or other contractors or subcontractors employed in the Units or the Building;

(c) only during only such days and hours as may be specified by the Board in its reasonable judgment;

(d) only after obtaining such insurance, naming the Board, the Managing Agent and Sponsor as additional insureds, as the Board or the Managing Agent may require and

indemnifying the Board, all other Unit Owners and the Managing Agent against any liability arising from the work;

(e) in the case of a Residential Unit, employing such architects, engineers, contractors, subcontractors, workers, suppliers and other laborers who are on the Managing Agent's then approved list, as such list may change from time to time, in the sole discretion of the Board or the Managing Agent; and

(f) in compliance with the Declaration, these By-Laws, the Rules and Regulations, the overall Building standards and all applicable laws, ordinances, orders, rules, regulations and requirements of all governmental and quasi-governmental authorities, including, without limitation, the requirements of the New York City Department of Buildings and the boards of fire underwriters having jurisdiction thereof (all such laws, ordinances, orders, rules, regulations and requirements being sometimes hereinafter collectively referred to as "Legal Requirements"), including, without limitation, Legal Requirements relating to licensing of contractors, obtaining of all necessary governmental permits, authorization, certificate and licenses for the commencement and completion of any Alterations and obtaining of any amendment to the Certificate of Occupancy for such Unit, if necessary.

6.7.3 The Unit Owner performing, causing, permitting or suffering such Alterations to be performed shall, if required by the Board, pay the cost of: (i) any amendment of the Declaration and the floor plans of the Condominium, if required by the Board or by any applicable Legal Requirements, to reflect any such Alterations, (ii) obtaining all necessary governmental permits, authorizations, certificates and licenses for the commencement and completion of any Alterations (copies of which shall be delivered to the Board promptly after the issuance thereof and prior to the commencement of any Alterations), and obtaining any amendment to the Certificate of Occupancy for such Unit, if necessary; provided that no work or change by or on behalf of a Residential Unit Owner will be permitted without the consent of the Board (which consent may be withheld on conditioned in the sole discretion of such Board) if such work or change would result in a delay in obtaining a temporary or permanent Certificate of Occupancy for the Building, or any amendment to, or extension of, the same if theretofore issued; and (iii) in the case of a Residential Unit, any reasonable architectural, engineering and legal fees incurred by the Board in connection with such work. Neither the Board nor any Unit Owner (other than the Unit Owner making, permitting or suffering any Alterations to be made in or to its Unit) shall incur any liability, cost or expense either: (A) in connection with the preparation, execution or submission of the applications referred to above; (B) to any contractor, subcontractor, supplier, architect, engineer or laborer on account of any Alterations made or permitted or caused to be made by any Unit Owner; (C) to any person or entity asserting any claim for personal injury or property damage arising therefrom; or (D) arising out of a Unit Owner's failure to obtain any permit, authorization, certificate or license, or to comply with the Declaration, these By-Laws, the Rules and Regulations and the provisions of any Legal Requirements insofar as the same relates to Alterations. A Unit Owner making or causing, permitting or suffering any tenant or occupant to make, any Alteration shall be deemed to have agreed to indemnify, defend and hold the Board, the Managing Agent and all other Unit Owners harmless from and against any liability, loss, cost, or expense arising therefrom, and from and against any and all loss, cost, expense (including, but not limited to, attorneys' fees and disbursements), damage, injury or liability, whether direct, indirect or consequential, resulting from, arising out of, or in any way connected with, any of the foregoing.

6.7.4 Any application to any department of the City of New York or to any other governmental authority having jurisdiction thereof for a permit to make an Alteration in or to any Unit shall, if and to the extent required by law or such department or authority, be executed by the Board, in the case of any Alteration which such party has approved (or for which its approval is not required), provided that the Board shall not incur any liability, cost or expense in connection with or by reason of executing such application.

6.7.5 Notwithstanding anything to the contrary contained in this Section 6.7 (but subject to all Legal Requirements), however, Sponsor and its designees shall each have the right pursuant (and subject) to the terms of the Declaration, without the approval of the Board: (i) to make any Alterations in or to any Unsold Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary (including, without limitation, those required under the Offering Plan, any Purchase Agreement or otherwise); and (ii) to subdivide, combine and change the boundary walls of Unsold Units. Additionally, any initial purchaser of any Unsold Unit shall have the right, without approval of the Board, to make any Alterations in or to its Unit, provided that Sponsor or its designee has consented to the same in writing at or prior to the closing of title to such Unit (which consent may be withheld or conditioned in Sponsor's sole discretion), that such purchaser obtains all necessary approvals required by law, and that such purchaser complies with all of the other requirements of this Section 6.7.

6.7.6 In addition to the requirements set forth above in this Section 6.7, until a permanent Certificate of Occupancy is obtained for the Building, no Residential Unit Owner shall make any Alterations in or to its Unit without first notifying Sponsor of the same in writing and complying with Sponsor's requirements with respect to the same. Such requirements may include, without limitation, the following:

(a) such work not include any change that would result in a delay in obtaining a temporary or permanent Certificate of Occupancy for the Building, or any amendment to, or extension of, the same if theretofore issued;

(b) such Unit Owner post a bond or other similar security that is reasonably acceptable to Sponsor in an amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with respect to such work and the completion of the same with all governmental authorities having jurisdiction;

(c) such work not be commenced until such Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procures all required permits and licenses with respect to the same, and delivers copies of all such plans, specifications, notices, certifications, permits and licenses to Sponsor;

(d) such work be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(e) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(f) promptly after the completion of such work, all necessary inspections and approvals of the same shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and Sponsor shall be given a copy of all such inspections, approvals, notices and certifications;

(g) such Unit Owner shall indemnify, defend and hold Sponsor harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim, or liability incurred or suffered by Sponsor due to any violation of a Legal Requirement or due to any delay in obtaining a temporary or permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the same if theretofore issued) as a result of such work or the failure to timely make all appropriate governmental filings in connection with the same; and

(h) all contractors shall be duly licensed to the extent required by applicable Legal Requirements and, if required under any contract with any union whose members are performing services at the Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other Unit Owner, or the Board), such work shall be performed solely by union members.

If any Residential Unit Owner commences any such Alterations in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the same, Sponsor shall be entitled to cause such work by such Unit Owner to be halted, including, without limitation, causing the Managing Agent to deny access to the Building to the Unit Owner's workers and suppliers, until such Unit Owner so complies. During the period until such Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to cause to be performed (whether by Sponsor, its designee or otherwise) any and all work in and to such Unit Owner's Unit as shall be necessary, in Sponsor's or its designee's sole judgment, in order to avoid any delay in obtaining a temporary or permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the same if theretofore issued), whether or not such work shall be in compliance with the plans and specifications for the work theretofore performed by, or on behalf of, such Unit Owner. The cost and expense of any such work so performed shall be borne by such Unit Owner and shall be paid to Sponsor within 15 days of Sponsor's written demand therefor.

6.7.7 Alterations to Commercial Units. A Commercial Unit Owner may make Alterations in or to its Commercial Unit (including any decorations that are compatible with the first class character and location of the Building and installing equipment on any rooftop area (as described below)) which, in each such case, comply with applicable Legal Requirements, without obtaining the approval of the Board, except that Alterations which would affect the structural, mechanical, electrical or plumbing elements of the Building, or the exterior appearance of the Building (other than the retail storefronts, for which no approval of the Board shall be necessary), shall be subject to the approval of the Board, which shall not be unreasonably withheld. In the event that a dispute arises between a Commercial Unit Owner and the Board regarding any Alteration subject to the Board's approval (or which the Board asserts is subject to its approval), such dispute shall be submitted to arbitration in accordance with the terms of Article 11 of these By-Laws, provided that the parties shall cause such arbitration to proceed in an expedited manner. A Commercial Unit Owner will be granted reasonable access to all parts of the Building (other than the interior of Residential Units) to which such Commercial

Unit Owner reasonably requires access in order to perform any work or alterations desired by the Commercial Unit Owner thereof and permitted or required to be made by such Commercial Unit Owner hereunder. A Commercial Unit Owner shall have the right to use any unused portion of the roof located over its Commerical Unit to install, operate, maintain, repair and replace, in accordance with applicable Legal Requirements, equipment serving its Commercial Unit; shall have a right of reasonable access to such space to operate, repair, maintain, or replace such equipment; and shall be solely responsible for the operation, repair, maintenance, and replacement of such equipment, and shall maintain at its sole cost liability insurance with respect to such space and all such equipment as the Board shall reasonably require.

6.8 Alterations to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions or improvements in or to the Common Elements will be made by the Board. Except as otherwise expressly provided in these Bylaws, the costs of alterations, additions or improvements to the General Common Elements will be charged to all Unit Owners as a Common Expense; and costs attributable to the Residential Limited Common Elements will be charged to all Residential Unit Owners and Storage Unit Owners in the proportion that their respective Common Interests bear to the aggregate Common Interests of all Residential and Storage Unit Owners. Whenever, in the judgment of the Board, the Common Elements require additions, alterations, improvements, or repairs which are capital in nature and would cost more than $250,000 (subject to increase by the CPI Increase Factor), in the aggregate, in any calendar year, such additions, alterations, improvements or repairs may not be made unless the same have been approved by the Unit Owners owning a majority of the Common Interests of all Units liable for the cost thereof pursuant to the preceding sentence, including Sponsor, if it then owns any Unit, at a duly constituted meeting of Unit Owners and by the representatives of institutional mortgagees of Units, if any, appointed pursuant to these By-Laws (the "Mortgagee Representatives"), or unless the same is a non-capital repair or necessary to comply with applicable Legal Requirements, to remedy any violation imposed against the Property, to comply with a proper work order of an insurer of the Property, or for the health or safety (but not the general comfort or welfare) of the residents or occupants of the Property. In any such event, the Board may, in its discretion, assess each Unit Owner liable therefor for his or her pro-rata share of the cost of such additions, alterations, or improvements, according to his or her Common Interest, as part of the Common Charges. Any additions, alterations, or improvements costing $100,000 (subject to increase by the CPI Increase Factor) or less, in the aggregate, in any calendar year or which is a non-capital repair may be made by the Board without the approval of the Unit Owners.

6.9 Use of Residential Units. A Residential Unit may be used only as a residence and, subject to compliance with these By-Laws, for a lawful home occupation. A Residential Unit may only be occupied by: (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Residential Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Residential Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Residential Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Residential Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or

employee is designated as the primary occupant of the Residential Unit and is not being designated to use the Residential Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of any of the foregoing.

6.10 Use of and Alterations to Storage Units. To protect the security of the Building, any owner or lessee of any Storage Unit must also at all times be (if the owner of such Storage Unit) the owner, or (if the lessee of such Storage Unit) the lessee or owner, of a Residential Unit, provided, however that the foregoing restrictions shall not apply: (i) to Sponsor or its designee; (ii) to the Board or its designees; or (iii) to the acquisition of a Storage Unit pursuant to an action to foreclose a lien arising out of non-payment of real estate taxes or assessments or a mortgage encumbering such Storage Unit, but, in each of the foregoing cases "(ii)" and "(iii)", shall apply to the subsequent sale or lease of such Storage Unit by such person or entity acquiring such Unit in such a manner. Furthermore, if an action shall be brought to foreclose a lien on a Storage Unit arising out of non-payment of real estate taxes or assessments, the Board, acting on behalf of all Unit Owners, shall be obligated to purchase the Storage Unit at the foreclosure sale, in the name of the Board or its designee, corporate or otherwise. Subject to the foregoing, there are no restrictions upon the number of Storage Units that may be owned by any person at any time.

The Storage Units may be used only for storage purposes, in compliance with all applicable laws and without causing the dissemination of noxious odors, dirt or other sanitary problems. Except as otherwise expressly permitted herein, no Storage Unit Owner may make any alteration, addition, improvement of repair in or to its Storage Unit without the prior approval of the Board and complying with all Legal Requirements and all applicable Rules and Regulations.

6.11 Use of Common Elements; Use of Adjacent Sidewalks.

6.11.1 Except as otherwise provided herein or in the Declaration, Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.11.2 In no event shall any Unit Owner impair, restrict or impede the use of the Common Elements by any other Unit Owner or anyone claiming by, through or under any other Unit Owner.

6.11.3 The Owner or Owners of any one or more Residential Units, which Unit or Units are the only Unit or Units serviced or benefited by any Common Element adjacent or appurtenant thereto (for example, that portion at the end of any hallway which is directly adjacent to any such Units located on opposite sides of such hallway) and not affecting access in any material way or service (including, without limitation, heating, ventilating and air conditioning) to any other Unit or to any other portion of the Common Elements shall, to the extent permitted by applicable law and subject to the consent of the Board (which consent may be granted or withheld in the Board's sole discretion and shall not be required if the Unit Owner or Owners shall be Sponsor or its designee), have the exclusive right to use that portion of the Common Elements as if it were a part of such Units (including the right, in the above example of

a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made by reason thereof; provided, however, that notwithstanding the provisions of Subsection 6.1 hereof, such Unit Owner or Owners, at their sole cost and expense, shall (a) be responsible for the operation, maintenance and repair of that portion of the Common Elements for so long as such Unit Owner or Owners exercise such exclusive right of use, and (b) restore that portion of the Common Elements to its original condition, reasonable wear and tear excepted, after such Unit Owner or Owners cease to exercise such exclusive right of use. The owner of any such Units which are Unsold Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board.

6.11.4 Notwithstanding the foregoing, elevator landings which serve fewer than three Units may be decorated and/or furnished by the adjoining Unit Owners as they desire, at their expense, provided that each such Unit Owner consents in writing thereto, and the Board gives its written consent to such decoration and/or furnishing, which consent of the Board may not be unreasonably withheld or delayed. After an elevator landing is decorated and/or furnished by the Unit Owners serviced by the same, the Owners of such Units, and not the Board, will be responsible for keeping the decor and furnishings in a first class condition and state of repair and performing, at their joint expense, all repairs and maintenance necessary or desirable in order to accomplish the same

6.11.5 Notwithstanding anything to the contrary contained herein, Sponsor and its designees shall have the right, until the tenth (10th) Anniversary of the First Closing, to use portions of the Residential Limited Common Elements, without charge, for exhibitions or for other promotional functions with respect to Sponsor's sales program or otherwise.

6.12 Use of Commercial Units; Permits and Licenses.

6.12.1 Subject to the provisions of Section 6.12.2 and 6.12.3 hereof and the other provisions of these By-Laws, Commercial Units 1 and 2 may be operated for any lawful purpose (including, without limitation, for retail, restaurant, garage, banking commercial, office, residential, storage and utility purposes).

6.12.2 No part of any Commercial Unit shall be used for any of the following uses:

(a) the repair, servicing or maintenance of any vehicles, machinery or equipment or the operation of an "automobile repair shop" (in each case other than as may be incidental to the operation of a parking garage facility);

(b) funeral parlor;

(c) massage parlor or sex club or for the sale or display of pornographic or obscene material; or

(d) for any obscene or pornographic purpose or any other commercial sex establishment.

6.12.3 A Commercial Unit Owner shall not at any time use or occupy, or suffer or permit anyone to use or occupy its Commercial Unit, or do or permit anything to be done in its Commercial Unit in violation of the certificate of occupancy for its Commercial Unit or for the Building.

6.12.4 If any governmental license or permit, other than a certificate of occupancy, shall at any time be required for the proper and lawful conduct of business in a Commercial Unit then being conducted or to be conducted in that Commercial Unit or any portion thereof, then the subject Commercial Unit Owner, at it's own expense, shall duly procure and thereafter maintain such license or permit.

6.12.5 Each Commercial Unit Owner shall take all commercially reasonable measures to ensure that no excessive noise emanates from its Commercial Unit.

6.13 General Provisions as to Use.

6.13.1 No nuisance shall be allowed in the Property nor shall any use or practices be allowed in the Property which interferes with the peaceful possession or proper use thereof by the Unit Owners or the occupants of their respective Units. No improper, offensive or unlawful use shall be made of the Property or any portion thereof. All Legal Requirements relating to any portion of the Property shall be complied with at the sole expense of whichever of the Unit Owners or the Board shall have the obligation to maintain or repair such portion of the Property.

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

6.13.3 Sponsor or its designee, without the permission of the Board, may (a) use or grant permission for the use of any Unsold Unit for any purpose (including, without limitation, use for a home occupation), provided such use is permitted by law or court order, does not violate the then existing Certificate of Occupancy for such Unit, and the user of such Unit complies with all applicable Legal Requirements; (b) use any one or more Unsold Units as models and sales and/or leasing offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with applicable Legal Requirements; and (c) lease Unsold Units to any party(ies).

6.13.4 Each Unit Owner shall promptly comply with all Legal Requirements applicable to its Unit. No Unit Owner shall use or permit the use of Hazardous Materials on, about, under, or in its Unit or the Property. Each Unit Owner agrees to indemnify and hold harmless the Board and each other Unit Owner from and against any and all claims or demands, including any action or proceeding brought thereon, and all costs, losses, expenses and liabilities of any kind relating thereto, including, but not limited to, costs of investigation, remedial response, and reasonable attorneys' fees and cost of suit, arising out of or resulting from any Hazardous Material used or permitted to be used by such Unit Owner on, about, under or in his or her Unit or the Property. As used herein, the term "Hazardous Materials" means petroleum products, asbestos, polychlorinated biphenyls, radioactive materials and all other dangerous, toxic or hazardous pollutants, contaminants, chemicals, materials or substances listed or identified in, or regulated by, any Environmental Law; and "Environmental Laws" means all

federal, state and local laws, rules, regulations, ordinances, requirements and orders whether now existing or hereafter enacted, promulgated or issued, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material and/or the protection of human health and the environment.

6.14 Right of Access.

6.14.1 Each Unit Owner grants a right of access to its Unit to the Board, the Managing Agent and/or any other person authorized by any of the foregoing, for the purposes, among others, of: making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property; curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in its Unit and having a reasonable likelihood of causing damage to another Unit or all or any part of the Common Elements; performing maintenance, installations, alterations, repairs or replacements to the mechanical, plumbing or electrical services or other portions of the Common Elements within its Unit or elsewhere in the Building; reading, maintaining or replacing utility meters relating to the Common Elements, its Unit or any other Unit in the Building; or correcting any condition which violates the provisions of any Permitted Mortgage covering another Unit; provided that (a) requests for entry to any Unit are made not less than one day in advance and (b) any such right shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by tenants and occupants of the Commercial Units or with the use of the other Units for their permitted purposes. In case of an "emergency", as defined in subsection 6.6.4, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner or tenant is present.

6.14.2 Each Unit Owner grants a right of access to its Unit and, in the case of a Residential Unit, any Residential Limited Common Elements appurtenant thereto, and the Board shall grant rights of access to the General Common Elements, to Sponsor and its contractors, subcontractors, agents and employees, for the purpose of complying with and fulfilling each such party's obligations as set forth in the Offering Plan, provided that access thereto shall be exercised by such party, with respect to any Unit or Residential Limited Common Element, in such a manner as will not unreasonably interfere with the use of the Unit or Residential Limited Common Element for its or their permitted purposes.

6.15 Rules and Regulations. Annexed hereto as Exhibit A and made a part hereof are rules and regulations (the "Rules and Regulations") concerning the use of the Units and Common Elements. The Board may from time to time modify, amend or add to such Rules and Regulations, except that (a) a Majority of Unit Owners may overrule the Board with respect to any such modification, amendment or addition and (b) no such adoption, modification, amendment or addition affecting Sponsor or the Unsold Units may be made unless agreed to, in writing, by Sponsor or its designee; and (c) any such adoption, modification, amendment or addition which adversely affects a Commercial Unit shall require the consent of the subject Commercial Unit Owner. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto shall be furnished by the Board to each Unit Owner not less than 30 days prior to the effective date thereof.

6.16 Real Estate Taxes, Water Charges and Sewer Rents.

6.16.1 Water and sewer services for the Building shall be supplied by the City of New York or other utilities servicing the Property. Unless and until water charges and sewer rents are billed directly to Unit Owners by the proper authority, the Board shall promptly pay such charges, together with all related sewer rents arising therefrom, and allocated as a Common Expense among the Unit Owners, or the Residential Unit Owners, as applicable, as reasonably determined by the Board, based on Common Interests, and the Unit Owners shall be required to reimburse the Board, as a Common Charge, for their share of such charges and rents. It is anticipated that the water consumed in the Commercial Units will be separately submetered and the charges for such water and the corresponding sewer rents will be paid for by the owners of such Commercial Units. The water and sewer charges for the balance of the Building will be levied on the basis of a mater meter and borne by all Residential Unit Owners and Storage Unit Owners as a Residential Common Expense allocated in accordance with their respective Common Interests.

6.16.2 Until the Units are separately assessed and billed for real estate tax purposes, the Board will pay all real estate taxes with respect to the Property to the Department of Finance of the City of New York (or directly to Sponsor if Sponsor has paid such taxes) and allocate the cost thereof among all Units as follows: the Board will first allocate such taxes among the basic classes of Units on the basis of: (i) 91.1% of such taxes to the Residential Units and the Storage Units in the aggregate and then to each Residential Unit and Storage Unit on the basis of its Residential Common Interest as set forth in Schedule A of the Offering Plan, and (ii) 8.9% of such taxes to the Commercial Units in the aggregate and then to each Commercial Unit on the basis of its relative proportionate Common Interest. The Board shall then allocate such percentage share among the individual Units in each such class, as applicable, in the ratio of the initial offering price for each Unit as set forth in Schedule A of the Offering Plan to the total initial offering prices of all Units in such class. Each Unit Owner will then reimburse the Board for his or her allocated share. Such reimbursement shall be payable as if it were a Common Charge. Such taxes will be paid in a timely manner so that no lien will be placed on the Condominium Property or any Unit. If Sponsor fails to pay real estate taxes attributable to any Unsold Unit in a timely manner and as a result of such failure a lien is placed on the Condominium Property and/or any other Unit, Sponsor will immediately cause such lien to be removed at its sole cost and expense. A Unit Owner will not be responsible for the payment of, and will not be subject to any lien arising from, the non-payment of real estate taxes assessed against any other Units.

6.16.3 In the event of a proposed sale of any Unit, the Board (so long as the Board is still collecting and paying such real estate taxes and/or water charges and sewer rents), upon the written request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such Owner's Unit to the date of the closing of title to such Unit.

6.16.4 The Board shall commence, pursue, compromise and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to any or all of the Residential Units on behalf of and as agent for the respective Residential Unit Owners thereof, but only with respect to such Residential Units as to which the respective Unit Owners thereof have, in writing requested and authorized the Board to do so, and indemnified the Board from and against all claims, costs and expenses (including, without limitation, attorneys' fees) resulting from such proceedings. All Residential Unit Owners making such request to the Board

will share the costs in connection therewith in proportion to the benefits derived therefrom by such Unit Owners. In the event any Unit Owner individually seeks to have the assessed valuation of its Unit reduced by bringing a separate certiorari proceeding, the Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies, defends and holds the Board harmless from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) resulting from such proceedings.

6.17 Electricity. Electricity for each Unit shall be supplied through separate electric meters. Each Unit Owner shall be required to pay bills for electricity consumed or used in its Unit directly to the utility company. Consumption with respect to the Common Elements will be determined by separate metering and allocated by the Board among the Units or the Residential Units, as applicable, in accordance with the methodology set forth in the First Year's Budget.

6.18 Gas. Gas for the Building shall be supplied by Con Edison or another utility. Gas for the Commercial Units will be separately metered and paid by the Unit Owner of such Commercial Units. Gas for the Residential Section of the Building will be metered by a master meter and shall be paid by the Board as a Residential Common Expense and allocated among the Residential and Storage Units on the basis of percentage of Common Interests.

6.19 Steam. Steam for the Building shall be supplied through a single steam meter. The steam for the Commercial Units will be separately submetered and paid by the Unit Owners of such Commercial Units. The charges for any other steam utilized at the Building shall be paid by the Board as a Common Expense and allocated among the Residential and Storage Units on the basis of percentage of Common Interests.

6.20 Condensor Water. Condensor water will be provided to the Units from the Building's central cooling tower. Costs for the condensor water used in the Commercial Units will be charged based on the tonnage of the equipment installed in such Units from time to time. The costs for condensor water otherwise utilized at the Building shall be paid by the Board as a Common Expense and allocated among the Residential and Storage Units on the basis of percentage of Common Interests.

6.21 Dispute as to Utilities Charges. In the event that there is a dispute as to the accuracy of assessing the charges for a utility upon the basis of usage, and the disputing Unit Owners and/or the Board fail to agree on a manner to accurately allocate such costs, the matter shall be determined by Arbitration.

6.22 Remedies for Violations of By-Laws or Rules and Regulations by Unit Owners.

6.22.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right (following written notice and at least ten (10) business days' opportunity to cure (unless a longer period is provided herein or in the Declaration) in the case of the Commercial Units), in addition to any other rights set forth in these By-Laws or the Declaration, (i) to enter any Unit or Common Elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition

resulting in such violation or breach and the Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach, provided that the Board gives the Unit Owner notice (which may be by telephone or telegram) that such violation exists, that repairs or replacements are necessary and that the Board will complete such repairs or replacements in the event the Unit Owner does not promptly act or complete the repairs or replacements, and/or (iii) to levy such fines and penalties as the Board may deem appropriate, and the Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges.

6.22.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Sponsor or its designee shall give to Sponsor and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

ARTICLE 7

MORTGAGES

7.1 Notice to Board. Each Unit Owner shall have the right to mortgage its Unit, subject only to the terms and conditions set forth in this Article 7. A Residential Unit Owner who mortgages its Unit and/or any Storage Unit owned by such Owner, or the holder of such mortgage, shall notify the Board of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Board, and such Unit Owner shall, prior to the making of such mortgage, satisfy all unpaid liens against its Unit, other than Permitted Mortgages. A Residential Unit Owner who satisfies a mortgage covering its Unit shall so notify the Board and shall file a conformed copy of the satisfaction of mortgage with the Board. A Commercial Unit Owner may mortgage its Unit(s) without any restriction or limitation.

7.2 Notice to Mortgagees of Default and Unpaid Common Charges. Whenever so requested in writing by a Permitted Mortgagee of a Unit, the Board shall promptly report to such Permitted Mortgagee any default in the payment of Common Charges or any other default by the Unit Owner of such Unit under any of the provisions of the Declaration or these By-Laws which, to the Board's knowledge, may then exist. The Board, when giving notice to a Unit Owner of any such default, shall also send a copy of such notice to any Permitted Mortgagee thereof, if so requested in writing by such Permitted Mortgagee; however, the Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of such default by its mortgagor, provided that the Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure.

7.3 Performance by Permitted Mortgagees. The Board shall accept payment of any sum of money or performance of any act by any Permitted 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.

7.4 Examination of Books. Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium upon reasonable prior notice, at reasonable times on business days, but not more frequently than once a month.

7.5 Representatives of Mortgagees.

7.5.1 The holders of Institutional Mortgages constituting a majority of the outstanding principal amount of all Institutional Mortgages encumbering the Residential Units may, at their election, designate in writing to the Board one or more (but not more than three) representatives ("Residential Mortgagee Representatives"), which Residential Mortgagee Representatives shall be empowered to act on behalf of all holders of Institutional Mortgages encumbering the Residential Units with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. The holders of Institutional Mortgages encumbering the Commercial Units may, at their election, designate in writing to the Board the holder of the highest mortgage encumbering a Commercial Unit, or its designee, corporate or otherwise, as their representative (the "Commercial Mortgagee Representative"), which Commercial Mortgagee Representative shall be empowered to act on behalf of all holders of Institutional Mortgages encumbering the Commercial Units with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Residential Mortgagee Representatives or the Commercial Mortgagee Representative are so designated and notice thereof is given to the Board, the act of any such Representative (or a majority of such Representatives, if more than one is so designated) shall be deemed binding upon the holders of all Institutional Mortgages encumbering the Residential Units or the Commercial Units, respectively. As used herein, the term "Institutional Mortgage" means any first mortgage covering a Unit or Units, (a) which is a Permitted Mortgage or a mortgage encumbering a Unit then owned by Sponsor or its designee, and (b) the initial holder of which is (i) Sponsor or its designee, (ii) a savings bank, savings and loan association, bank, trust company, insurance company, real estate investment trust or mortgage trust, or (iii) a Federal, state, municipal, teachers', union or corporate employee, welfare, pension or retirement fund or system. The Residential Mortgagee Representatives and Commercial Mortgagee Representatives are sometimes referred to collectively herein as the "Mortgagee Representatives."

7.5.2 Any designation of a Residential Mortgagee Representative or Commercial Mortgagee Representative shall remain effective until a subsequent designation is made pursuant to the provisions hereof and notice of such subsequent designation is given to the Board.

7.6 Consent of Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any Mortgagee shall be required with respect to any determination or act of the Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against its mortgagor.

ARTICLE 8

SELLING, LEASING AND MORTGAGING OF UNITS

8.1 Sales and Leases of Units. No Unit Owner (other than Sponsor or its designee) may sell or lease its Unit except by complying with the provisions of this Article 8 and,

specifically, this Section 8.1. Subject to the terms of Section 8.7 hereof, each Residential Unit Owner may sell its Unit or lease its Unit for terms of one year or more only (or for such other period of time as may be determined by the Unit Owners pursuant to an amendment of this provision in accordance with Section 13.1).

8.1.1 (a) Subject to the terms of Section 8.8, any contract to sell a Residential Unit, together with its appurtenant Common Interest, or any lease of a Residential Unit (collectively, the "Sale Agreement or Lease") shall contain the following provision: "This Agreement, and the rights and obligations of the parties hereunder, are hereby expressly subject to the right of first refusal of the Board of Managers of 325 FIFTH AVENUE CONDOMINIUM in respect of the transaction described herein, pursuant to the terms of Article 8 of the By-Laws of 325 FIFTH AVENUE CONDOMINIUM." (The Residential Unit Owner who has entered into a Sale Agreement or Lease is herein referred to as the "Offeree Unit Owner" and the prospective purchaser or tenant is herein referred to as the "Outside Offeror.")

(b) Promptly after a Sale Agreement or Lease has been fully executed, the Offeree Unit Owner shall send written notice thereof to the Board, by certified or registered mail, return receipt requested, or by reputable courier providing overnight delivery; such notice shall be accompanied by a fully completed application package, which the Offeree Unit Owner shall obtain from the Managing Agent, together with a fully executed duplicate original of the Sale Agreement or Lease and any and all related agreements, containing all of the terms offered in good faith by the Outside Offeror. The giving of such notice to the Board shall constitute an offer by the Offeree Unit Owner to sell its Unit, together with its appurtenant Common Interest, or to lease its Unit, as the case may be, to the Board, or its designee, corporate or otherwise (on behalf of all Unit Owners), upon the same terms and conditions as contained in such Sale Agreement or Lease, and shall also constitute a representation and warranty by the Offeree Unit Owner to the Board (as the representative of all Unit Owners), that such Sale Agreement or Lease is bona fide in all respects and contains the complete terms of the transaction. The Offeree Unit Owner shall promptly submit in writing such further information with respect thereto as the Board may reasonably request. The Board may, by sending written notice, by certified or registered mail, return receipt requested, or by nationally recognized overnight courier, to such Offeree Unit Owner not later than twenty (20) days after receipt of such notice, or, if further information has been requested, then not later than twenty (20) days after receipt thereof, elect to purchase such Unit, together with its appurtenant Common Interest, or to lease such 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 Sale Agreement or Lease, as such terms and conditions may be modified or supplemented by any true and correct additional information provided by the Offeree Unit Owner in response to any request of the Board for more information, as provided above.

8.1.2 If the Board shall timely elect to purchase such Unit, together with its appurtenant Common Interest, or to lease such Unit, as the case may be, 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, in accordance with the terms of the Sale Agreement or Lease within 60 days after the giving of notice by the Board of its election to accept such offer. However, if the closing date of the purchase or the commencement date of the term of the lease, as the case may be, set forth in the Sale or Lease Agreement shall be later than 60 days after the giving of notice by the Board of its election to accept the aforesaid offer, the Board shall be

required to perform or cause to be performed all of the terms of the Sale Agreement or Lease that are required to be performed by the Outside Offeror (except as otherwise expressly set forth in this Article 8), including, but not limited to, payment of a downpayment 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 Sale Agreement or Lease as the intended closing date or commencement date, as the case may be. If, pursuant to such Sale Agreement or Lease, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, in the case of a sale, the Board may purchase the Unit and assume or take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit (together with its appurtenant Common Interest) is to be sold, shall convey the same to the Board, or its designee, as the representative of all Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York. Real estate taxes (including water charges and sewer rents, if separately assessed), mortgage interest, if applicable, Common Charges and rent, if applicable, shall be apportioned between the Offeree Unit Owner and the Board, or its designee as of the closing date. In the event such Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board, or its designee, a lease between the Offeree Unit Owner, as landlord, and the Board, or its designee, as tenant, covering such Unit, for the rental and term contained in the Lease.

8.1.3 If the Board or its designee shall fail to accept such offer within 20 days after receipt of notice and all other documents and information to be provided under this Article 8, or waives such election in writing within such 20 day period, the Offeree Unit Owner shall have until (a) an additional 60 days after the earlier of (i) the expiration of such 20 day period or (ii) the Board's waiver in writing by the Board or (b) such later date for closing or occupancy provided in the Sale Agreement or Lease, as applicable to consummate the transaction set forth in the Sale Agreement or Lease. In the event the Offeree Unit Owner shall not, within such 60 day period (or by such later date for closing or occupancy provided in the Sale Agreement or Lease, as applicable), so consummate the transaction, or should the terms of the Sale Agreement or Lease be amended or modified in any way (whether orally, in writing or by a side agreement) to be on terms less favorable to the Offeree Unit Owner, then the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1.

8.1.4 Any deed to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the provisions of the Declaration, these By-Laws and the Rules and Regulations, in each case as the same may be amended from time to time, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

8.1.5 Any Lease to an Outside Offeror 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, that the tenant shall not assign its interest in such Lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board and that the Board 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 the tenant in the performance of its obligations under such Lease or a default by or caused by such tenant under any of the provisions of these By-Laws; or (ii) a foreclosure of the

lien granted by Section 339-z of the Real Property Law of the State of New York, the Declaration, these By-Laws or otherwise. Such Lease shall also provide that it is and shall be subject and subordinate to the Declaration, these By-Laws and the Rules and Regulations.

8.1.6 Except as hereinbefore set forth, the form and substance of any such Lease executed by the Board or an Outside Offeror shall be the then current form of lease approved by the Board (as the same may be changed from time to time). Any Lease executed by the Board as tenant shall provide that the Board may enter into a sublease of the demised premises without the consent of the landlord and without paying to the landlord any portion of the rent received from the subtenant.

8.1.7 If an Offeree Unit Owner is a corporation, any sale, assignment, transfer or other disposition of any of its stock or if an Offeree Unit Owner is a partnership, limited liability company or other entity, any sale, assignment, transfer or other disposition of any interest in such partnership, company or other entity, in each case, other than through any recognized national securities exchange or "over-the-counter" market, which results in a change in the majority beneficial or legal ownership of such entity, shall also subject the Unit owned by such entity to the requirement that the Unit first be offered to the Board, as described in this Section 8.1.

8.1.8 Any purported sale or lease of a Unit in violation of this Section 8.1 shall be voidable at the election of the Board and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to eject or evict the purported purchaser or tenant, as the case may be, in the name of such Unit Owner as the purported seller or landlord, as the case may be. Such Unit Owner shall reimburse the Board for all expenses (including, without limitation, attorneys' fees and expenses) incurred in connection with such proceedings, promptly upon demand therefor. In no event shall any purported sale or lease of a Unit in violation of this Section 8.1 release the Unit Owner who is the purported seller or lessor, as the case may be, from any of its obligations under the Declaration or these By-Laws, whether or not such sale or lease is voided by the Board.

8.2 Consent of Unit Owners to Purchase or Lease of Units by Board. Subject to the remaining provisions of these By-Laws and the Declaration, the Board may not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority in interest of the Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. Any such lease shall be in the form and substance then approved by the Board (as the same may be changed from time to time), including provisions such as a prohibition on assignment or subletting. The Board shall have the right to release or waive such option without the prior approval or a vote of the Unit Owners.

8.3 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to its 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 appurtenant Common Interest of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of

the Unit to which such interests are appurtenant, or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 8.3 shall prohibit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.4 Release by Board of Right of First Refusal. The right of first refusal contained in Section 8.1 may be released or waived by the Board only in the manner provided in Section 8.5. In the event the Board shall release or waive its right of first refusal as to any Unit, such Unit, together with its appurtenant Common Interest, may be sold, conveyed or leased in accordance with the Sale Agreement or Lease and the other information supplied by the Offeree Unit Owner to the Board pursuant to Section 8.1 hereof, subject to the provisions of subsection 8.1.3. The Board may establish reasonable fees for its consideration of any right of first refusal, which fees shall be payable by the selling or leasing Unit Owner (but not Sponsor or its designee), as the case may be, to the Managing Agent.

8.5 Certificate of Termination of Right of First Refusal. A certificate executed and acknowledged by the Secretary or any other officer of the Condominium stating that the provisions of 8.1 have been satisfied by a Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Board and that, as a result thereof, the rights of the Board thereunder have terminated, shall be conclusive upon the Board and the Unit Owners in favor of all persons who rely on such certificate in good faith.

8.6 Financing of Purchase, or Refinancing, of Units by Board. The purchase of any Unit together with its appurtenant Common Interest, by the Board or its designee, on behalf of all Unit Owners, may, at the option of the Board, be made from the funds deposited in the capital and/or expense accounts of the Board by or on behalf of Unit Owners. The Board may levy an assessment against each Unit Owner, in proportion to its respective Common Interest, as an additional Common Charge, and/or the Board, in its discretion, may finance the acquisition of such Unit and subsequently refinance such Unit or refinance any loan secured by or relating to the Building Manager's or Resident Manager's Unit (on such terms and in such amount(s) as the Board determines); provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Condominium Property (except to the extent permitted by law) other than the Unit to be purchased or refinanced, as the case may be, together with its appurtenant Common Interest.

8.7 Exceptions. In addition to any other exceptions herein before set forth, the provisions of Section 8.1 shall not apply to the sale, lease or conveyance of any Unit, together with its appurtenant Common Interest, or in the case of a Unit Owner which is a corporation, partnership, limited liability company or other entity, the sale, lease or conveyance of an interest in such Unit Owner, in each case: (a) to an affiliate or one or more family members (and for purposes of this Section 8.7, an "affiliate" is defined as a person or entity that owns 50% or more of the legal and beneficial interest of such Unit Owner or owner of an interest in a Unit Owner, as the case may be, or an entity with respect to which such Unit Owner or owner of an interest in a Unit Owner owns 50% or more of the legal and beneficial interest, and "family member" is defined as a spouse, adult child, parent or adult sibling, or a trust for the benefit of any one or more of the foregoing and/or one or more minor children of any of the foregoing.); (b) Sponsor or its designee with respect to Unsold Units; (c) the Board; (d) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit

or delivering a deed in lieu of such foreclosure; or (e) a Permitted Mortgagee or its nominee, who has acquired title to any Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu of such foreclosure delivered in a bona fide transaction; provided, however, that each succeeding Unit Owner shall be bound by, and its Unit shall be subject to, all of the provisions of this Article 8. In addition, the provisions of Section 8.1 shall not apply to any lease, sale or conveyance of: (i) a Residential Unit to a Permitted Mortgagee or a purchaser at a foreclosure sale of a Permitted Mortgage in connection with a foreclosure or sale in lieu of same; (ii) a Storage Unit or any part thereof, together with its Common Interest; or (iii) a Commercial Unit or any part thereof, together with its Common Interest. However, any owner or lessee of any such Storage Unit must also at all times be (if the owner of such Storage Unit) the owner, or (if the lessee of such Storage Unit) the lessee or owner, of a Residential Unit, provided, however that the foregoing restrictions shall not apply: (i) to Sponsor or its designee; (ii) to the Board/its designees; or (iii) to the acquisition of a Storage Unit pursuant to an action to foreclose a lien arising out of non-payment of real estate taxes or assessments or a mortgage encumbering such Storage Unit, but, in each of the foregoing cases "(ii)" and "(iii)", shall apply to the subsequent sale or lease of such Storage Unit by such person or entity acquiring such Unit in such a manner. Furthermore, if an action shall be brought to foreclose a lien on a Storage Unit arising out of non-payment of real estate taxes or assessments, the Board, acting on behalf of all Unit Owners, shall be obligated to purchase the Storage Unit at the foreclosure sale, in the name of the Board or its designee, corporate or otherwise. There are no restrictions upon the number of Storage Units any Purchaser may purchase or own at any time or from time to time.

8.8 Gifts, Devises and Intestate Transfers. Any Unit Owner shall be free to convey or transfer his or her Unit by gift, or may devise his or her Unit by will, or have his or her Unit pass by intestacy, without complying with the provisions of 8.1, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, the provisions of this Article 8.

8.9 Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. In the event that any Unit shall be acquired by the Board 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 and the entire Property as herein provided.

8.10 Payment of Assessments. No Unit Owner shall be permitted to sell, convey, mortgage, pledge, hypothecate or lease its Unit unless and until it shall have paid in full to the Board all unpaid Common Charges and other amounts required by the Board to be paid and theretofore assessed by the Board against such Unit and until such Unit Owner shall have satisfied all unpaid liens against its Units, other than Permitted Mortgages. Each Unit Owner shall notify the Managing Agent at least five business days prior to the closing of any of the aforementioned transactions for confirmation of any unpaid amounts.

8.11 Mortgage of Units. Subject to Article 7 and Section 8.10, each Unit Owner shall have the right to mortgage its Unit without restriction.

ARTICLE 9

CONDEMNATION

9.1 In the event of the taking in condemnation or by eminent domain of all or any part of the Common Elements, then, subject to the provisions set forth below, the Board will arrange for the prompt repair and restoration of the part of the Common Elements affected by such taking. The award made for any such taking shall be payable to the Board, provided, however, that if any such award exceeds $2,500,000, such award shall be payable to the Insurance Trustee (as defined in Section 12.7 hereof) and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed, the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be: (a) borne and shared by all Unit Owners with respect to any taking of General Common Elements pro rata in accordance with their respective Common Interests percentages; and (b) borne and shared by all Residential Unit Owners with respect to any taking of the Residential Limited Common Elements pro rata in accordance with their respective Common Interests percentages; provided, that the amount of any surplus payable to any Unit Owner shall be lessened by such amounts as may be necessary to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order of the priority of such liens. Notwithstanding any provisions contained herein to the contrary, if 75% or more of the Residential Limited Common Elements and/or General Common Elements, in the aggregate, are so taken, such repairs or restorations shall not be made unless 75% or more of all affected Unit Owners (including Sponsor or its designee, if they shall then own any Units), in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the repairs and restoration shall be performed as set forth above. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the repairs and restoration shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the sale, and net proceeds of any condemnation awards shall be divided among all Unit Owners: (i) first, by apportioning such proceeds in the aggregate among each class of Unit (i.e., Residential, Storage and Commercial) pursuant to an appraisal of fair market values to be performed by a panel of three independent appraisers (one of whom shall be selected by the Board, one of whom shall be chosen by the Commercial Unit Owners, and the third chosen by the other two appraisers selected); and (ii) then, among the Unit Owners of each class of Unit in proportion/their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of its share of such funds, such amounts as may be necessary to discharge all unpaid liens on its Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. As used in this Article 9, the words "promptly resolve" shall mean not more than 60 days after the date notice is given of such taking. Any dispute between the Board and a Unit Owner under this Article 9 shall be settled by Arbitration (as provided in Article 11).

ARTICLE 10

RECORDS AND AUDITS

10.1 Records. The Board (or the Managing Agent) shall keep detailed records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Unit Owners, and financial records and books of account with respect to the activities of the Board, including a listing of all receipts and expenditures. In addition, the Board shall keep a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges and other amounts required by the Board to be paid in respect of each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 Audits. Within four months after the end of each fiscal year, an annual report of receipts and expenditures, prepared and certified by an independent certified public accountant or an independent certified public accounting firm, shall be submitted by the Board to all Unit Owners, and to all Permitted Mortgagees of Units, who have requested the same in writing. The cost of such report submitted by the Board shall be paid by the Unit Owners as a Common Expense.

10.3 Availability of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans (as such term is defined in the Offering Plan), as the same may be amended from time to time, shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours and upon reasonable prior notice.

ARTICLE 11

ARBITRATION

11.1 General Procedure. Except as may otherwise be expressly provided in these By-Laws or the Declaration, any arbitration provided for in these By-Laws or the Declaration ("Arbitration") shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereto, in accordance with its rules then in effect; the decision rendered in such Arbitration shall be binding upon the parties and may be entered in any court having jurisdiction; provided that, in the case of Arbitration of issues arising under Section 6.4 and 6.5, any arbitrator shall be a real estate professional, having 10 or more years experience in the field of Manhattan residential real property. Notwithstanding the foregoing, any Arbitration held pursuant to the Declaration or these By-Laws with respect to a dispute which arose prior to the first annual meeting of Unit Owners, shall be non-binding. In the event that 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 any justice of the highest court of appellate jurisdiction located in the County of New York. The decision of the arbitrator so chosen shall be given within 10 days after his or her appointment.

11.2 Costs and Expenses. The fees, costs and expenses of the arbitrator shall be borne by the losing party in the Arbitration or, if the position of neither party to a dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the

parties to the dispute. Each disputant shall also bear the fees and expenses of its counsel and expert witnesses. Subject to the foregoing, all costs and expenses paid or incurred by the Board in connection with any Arbitration held hereunder (including, without limitation, the fees and expenses of counsel and expert witnesses) shall constitute Common Expenses.

11.3 Agreement by Parties. The parties to any dispute required or permitted to be submitted to Arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 11.1 with respect to the Arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

ARTICLE 12

MISCELLANEOUS

12.1 Consents. Wherever the consent, approval or satisfaction of Sponsor or its designee is required under these By-Laws or the Declaration, such consent, approval or satisfaction shall not be required when there are no remaining Unsold Units.

12.2 Waiver. No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches thereof which may occur.

12.3 Captions. The index hereof and 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 nor the intent of any provision hereof.

12.4 Conflict. In the event the provisions of these By-Laws or the provisions of the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 Certain References.

12.5.1 A reference in these By-Laws 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.

12.5.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these By-Laws in their entirety and not to the particular provision in which the terms are used.

12.5.3 Unless otherwise stated, all references herein to Articles, Sections, subsections, subparagraphs or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.5.4 Unless otherwise expressly stated herein to the contrary, all references herein to dollar amounts shall be adjusted from time to time, after the date this Declaration is entered into, to reflect any increase in the cost of living, as reflected by an increase in the CPI

Increase Factor. The term "CPI Increase Factor" as used herein shall mean an increase proportionate to any increase in the cost of living from and after January 1, 2004, as reflected by the change in the Consumer Price Index (CPI-U; All Items; 1982-84 = 100 standard reference base period) for New York, New York (or the smallest measured area including New York, New York), as published by the Bureau of Labor Statistics, United States Department of Labor or, if the same ceases to be published, a commonly used substitute therefor reasonably selected by the Board.

12.6 Severability. Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as 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.

12.7 Insurance Trustee. The Insurance Trustee shall be a bank or trust company having an office located in the City of New York, designated by the Board 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, the Board shall appoint a new Insurance Trustee which shall be a commercial bank or trust company having an office located in The City of New York and having a capital surplus and undivided profits of $500,000,000 or more, subject to increase by the CPI Increase Factor. The Board 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 Real Property Law of the State of New York.

12.8 Successors and Assigns. Except as otherwise expressly set forth herein or in the Declaration to the contrary: (i) the rights and obligations of Sponsor or its designee as set forth herein and/or in the Declaration shall inure to the benefit of and be binding upon any successor or assign of Sponsor or its designee or, with the express consent of Sponsor or its designee, any transferee of two or more of the then Unsold Units; and (ii) the rights and obligations of each Commercial Unit Owner as set forth herein and/or in the Declaration shall inure to the benefit of and be binding upon any successor or assign of each such Commercial Unit Owner. Subject to the foregoing, Sponsor or its designee, and/or each Commercial Unit Owner, as the case may be, shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

12.9 Covenant of Further Assurances.

12.9.1 Any party which is subject to the terms of these By-Laws, 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, or otherwise, shall, at the expense of any such other party requesting the same, 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 these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.9.2 If any Unit Owner or any other party which is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action which such Unit Owner or other party is required to perform pursuant to these By-Laws, then the Board is hereby authorized, as attorney-in-fact, coupled with an interest, on behalf of such Unit Owner or other party, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party, and such instrument or action shall be binding on such Unit Owner or other party, as the case may be.

ARTICLE 13

AMENDMENTS TO BY-LAWS

13.1 Amendments by Unit Owners.

13.1.1 Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions to the provisions hereof or thereof affecting Sponsor (or its designee), any Unsold Units, or the Commercial Units or the Commercial Unit Owners: (a) any provision of the Declaration, these By-Laws or the Rules and Regulations affecting only the Residential Units or Storage Units, or the Residential Unit Owners or Storage Unit Owners, may be amended, modified, added to or deleted by the affirmative vote of at least 66-2/3% in number and in Common Interest of all Residential Unit Owners and Storage Unit Owners; provided, however, that the same shall not be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgagee Representative, if any; (b) any provision of the Declaration, these By-Laws or the Rules and Regulations affecting only the Commercial Units or the Commercial Unit Owners may be amended, modified, added to or deleted by the affirmative vote of 66-2/3% in Common Interest of all Commercial Unit Owners; provided, however, that the same shall not be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Commercial Mortgagee Representative, if any; (c) any provision of the Declaration, these By-Laws or the Rules and Regulations affecting the General Common Elements or all Unit Owners, may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners; provided, however, that the same shall not be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgagee Representative, if any, and the Commercial Mortgagee Representative, if any; and provided in each of the foregoing cases, however, that the permitted use(s) of a Unit or the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners affected thereby.

13.1.2 Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Sponsor (or its designee), any Unsold Units, or the Commercial Units or the Commercial Unit Owners, each duly adopted amendment, modification, addition or deletion to the Declaration and By-Laws, shall be executed by the Board, as attorney-in-fact, coupled with an interest, for the Residential Unit Owners, the Commercial Unit Owners or all Unit Owners, as the case may be, and the Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact and shall be effectuated by an instrument recorded in the City Register's Office and the same shall not be effective until so recorded.

13.2 Amendments Affecting Sponsor or its Designee.

13.2.1 Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition to or deletion of the Declaration, these By-Laws or the Rules and Regulations shall be effective in any way against: (a) Sponsor or its designee, for so long as Sponsor or its designee is the owner of one or more Units, or any Unsold Unit, unless Sponsor or its designee, as applicable, has given its prior written consent thereto, or (b) the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto.

13.2.2 If the number of rooms in an Unsold Unit is changed, or the size and/or number of Unsold Units is changed (whether as a result of a subdivision or combination of Unsold Units or alteration of boundary walls between Unsold Units, or otherwise) and the appurtenant percentage interest in the Common Elements is reapportioned as a result thereof, all in accordance with Article 9 of the Declaration, then Sponsor or its designee shall have the right to execute, or (upon its request) to require any other Residential Unit Owner or the Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to the Declaration (together with such other documents as Sponsor or its designee deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Unit or in the size and/or number of Unsold Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests in the Common Elements resulting therefrom, all without the approval of the Board, any other Unit Owners or the Residential Mortgagee Representative(s), if any, or Commercial Mortgagee Representative(s), if any.

13.3 Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition to or deletion of Sections 6.1, 6.2.2 or 6.4, Article 7, or clauses (d) and (e) and the second sentence of Section 8.7 of these By-Laws shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

13.4 Amendments Affecting Commercial Units.

13.4.1 If the number of rooms, the layout or the size of one or more Commercial Unit(s) is changed and/or the percentage interest in the Common Elements appurtenant to such Commercial Unit(s) is reapportioned (whether as a result of a subdivision or combination of such Commercial Unit(s) or the alteration of boundary walls between such Commercial Units, or otherwise) among any newly created or constituted Commercial Units as a result thereof, then the Unit Owner(s) of such Commercial Unit(s) shall have the right to execute, or (upon its request) to require any other Unit Owner or the Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to the Declaration (together with such other documents as such Commercial Unit Owner(s) deems appropriate to effectuate the same) reflecting such change in the number of rooms, the layout or the size of such Commercial Unit(s) and/or the subdivision or combination of Commercial Units and the reapportionment of the percentage interests in the Common Elements among such newly created or constituted Commercial Units, all without the approval of the Board, any other Unit Owners or the Residential or Commercial Mortgagee Representatives, if any.

13.4.2 Notwithstanding the foregoing, none of the Declaration, these By-Laws or the Rules and Regulations may be amended, modified or terminated in any manner which adversely affects a Commercial Unit or a Commercial Unit Owner or the rights, benefits, easements, privileges or exemptions of such Commercial Unit Owner, without the consent of the affected Commercial Unit Owner.

13.5 Deemed Approval Provision. Notwithstanding anything to the contrary contained herein, if any Unit Owner is notified in writing that its consent to a proposed amendment or modification to the Declaration, these By-Laws or the Rules and Regulations is requested, then, provided that such notice contains a copy of the proposed amendment or modification (and a statement in bold capital letters to the effect that if such Unit Owner does not notify the sending party in writing within ten (10) Business Days after such Unit Owner receives such notice (together with a copy of such amendment or modification), that such Unit Owner disapproves such proposed amendment or modification, then such Unit Owner shall be deemed to have approved such amendment or modification), if such Unit Owner does not notify the sending party in writing within ten (10) Business Days after such Unit Owner receives such notice (together with a copy of such amendment or modification), that such Unit Owner disapproves such proposed amendment or modification, then such Unit Owner shall be deemed to have approved such amendment or modification. The provisions of this Section 13.5 shall not apply to notices given to Sponsor or any other holder of Unsold Units requesting the Sponsor's or such holder's consent to a proposed amendment or modification.

13.6 Consents of Sponsor and/or the Commercial Unit Owners. The provisions of: (a) this Article 13 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or its designee; and (b) Section 13.4.2 may not be modified, amended, added to or deleted, in whole or in part, without the consent of the Commercial Unit Owners.

BY-LAWS

OF

325 FIFTH AVENUE CONDOMINIUM

EXHIBIT A

RULES AND REGULATIONS OF 325 FIFTH AVENUE CONDOMINIUM

1. The entrances, passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose by Unit Owners and their invitees other than the respective purposes for which they were intended.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire landings of the Building nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of any Units of the Building.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, lobbies, elevators, vestibules, corridors, fire landings of or serving the Building.

4. No public hall or public elevator vestibule of the Building shall be decorated or furnished by any Unit Owner in any manner, except as otherwise expressly provided in the By-Laws.

5. Each Unit Owner shall keep his or her Unit (and any Residential Limited Common Element appurtenant thereto) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

6. No window guards or other window decorations shall be used in or about any Unit, unless otherwise required by applicable Legal Requirements and as approved by the Board. However, each Residential Unit Owner shall notify the Managing Agent in writing when a child or children under the age of eleven years lives or resides (even temporarily) in the Unit. Each such Residential Unit Owner shall install, at such Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall maintain all window guards installed in the Unit and shall not remove the same until permitted by applicable Legal Requirements and in any event, without full knowledge of the Managing Agent.

7. No radio, television or other aerial, satellite dish, disk or similar device shall be attached to or hung from the exterior of the Building and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of any Unit or anywhere in or on the Building, except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Board or the Managing Agent; nor shall anything be projected from any window of any Unit.

8. No heat, ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Board; and no "window" air-conditioners of any kind shall be permitted.

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

10. No mopeds, motorcycles, bicycles, scooters or similar vehicles shall be taken into or from the Building through the main Building entrance or be allowed in the lobby or in the passenger elevator, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, vestibules, corridors or other public areas of the Building. The service entrance is the only means by which bicycles should be transported in and out of the Building. Unit Owners or occupants of a Unit (including children) will be subject to a fine of $50 per person each time that they or their guests are found in the lobby with a bicycle, scooter or tricycle or wearing rollerblades.

11. No Unit Owner shall make or permit any disturbing or objectionable noises, odors or activity in the Building, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners or their tenants or occupants. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph, stereo system, or radio or television set or other loudspeaker in such Unit Owner's Unit between midnight and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 4:00 P.M., unless such construction or repair work is necessitated by an emergency or is being performed by or on behalf of the owner of any Unsold Units, by Sponsor or its designee, or by the Commercial Unit Owner (after obtaining the consent of Sponsor or the Board as applicable.

12. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) shall be permitted, kept or harbored in a Unit unless the Board or the Managing Agent in each instance has expressly consented in writing. Such consent, if given, shall be revocable by the Board or Managing Agent in their sole discretion, at any time, with or without cause. Notwithstanding the foregoing, a Residential Unit Owner (but no other Unit Owner or tenant or occupant of any Unit) may keep as pets in his or her Unit not more than one domestic dog, not exceeding at its maximum weight twenty (20) pounds (other than for visually impaired individuals), domestic cats, caged birds and fish, provided that such pets do not constitute a health hazard, unsanitary condition or nuisance to any other Unit Owner, tenant or occupant. Any pet constituting a nuisance shall be permanently removed from the Building within one week after notice from the Managing Agent. In no event shall more than one pet be permitted in any Unit without the prior written consent of the Board, (which may be granted or denied in the sole discretion of the Board), nor shall any bird, reptile, or animal be permitted in any public elevator in the Building, other than the elevators designated by the Board or the Managing Agent of the Building for that purpose, or in any of the public

portions of the Building, unless carried or on a leash. Any Unit Owner in the public portions of the Building with an animal that is unleashed and not carried shall be fined $50 in each instance; and each Unit Owner shall be responsible for cleaning up after its pet in the public portions of the Building, and any Unit Owner who fails to do so shall be fined $50 in each instance. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Building or on the sidewalk or street adjacent to the Building. Each Unit Owner who keeps (or permits to be kept) any type of pet in such Unit Owner's Unit may be required to enter into an agreement with the Board, which agreement may set forth such other rules regarding pets as the Board shall deem suitable and require the Unit Owner to indemnify, defend and hold harmless the Building, the Board, all Unit Owners and the Managing Agent of the Building from all claims and expenses resulting from the acts or presence of such pet.

13. Service personnel, messengers and tradespeople visiting or residing in the Building may be required to use the service elevator for ingress and egress, and shall not use the main passenger elevator for any purpose, except that nurses in the employ of Unit Owners or their guests or tenants may use the main passengers elevator when accompanying the Unit Owner, guest or tenant.

14. All service and delivery persons will be required to use the service entrances to the Building. All packages, including, without limitation, those containing perishable items, delivered to Units by outside personnel must be delivered to the area therefor designated by the Board or the Managing Agent. Deliveries will be made from such area to individual Units only by Building personnel as otherwise directed by Building personnel. Such deliveries will be made only at such times as a Unit is occupied by the resident thereof or an authorized person and said resident or authorized person is willing to accept delivery. If the Unit is not occupied or delivery is declined, the package will be held in the designated area until the resident or authorized person returns or requests delivery, except in the case of perishable items which will be held in the designated area for no longer than 24 hours. After said 24-hour period, the perishable item shall be disposed of by Building personnel. Building personnel will not be responsible for packages held in the package room for more than 72 hours. No large deliveries will be accepted for a Unit Owner (or occupant of a Unit) unless such Unit Owner (or occupant) has made prior arrangements with the Building staff.

15. Trunks and heavy baggage shall be taken in or out of the Building by the service elevator, and through the service entrance only.

16. No refuse shall be removed from the Units except at such times and in such manner as the Board or the Managing Agent may direct.

17. 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, rags or any other article be thrown into the 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.

18. No occupant of the Building shall send any employee of the Building or of the Managing Agent out of the Building on any private business.

19. The agents of the Board or the Managing Agent, and any contractor or worker authorized by the Board or the Managing Agent and accompanied by an agent of the Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

20. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

21. The Board or the Managing Agent shall retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws or Declaration, and the Unit Owner has not furnished a key to the Board or the Managing Agent, then the Board or the Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Board or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (provided that during such entry reasonable care is given to the Unit Owner's property).

22. Complaints regarding Building services shall be made in writing to the Board or to the Managing Agent.

23. No Unit Owner or any of his or her agents, servants, employees, licensees or visitors shall at any time bring into or keep in such Unit Owner's Unit any flammable, combustible or explosive fluid, material, chemical or substance.

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

25. Nothing shall be done or kept in any Unit which would increase the rate of insurance of the Building or contents thereof, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his or her Unit which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed in the Common Elements.

26. Unit Owners shall comply with the laws, ordinances, rules and regulations of the City of New York or any other applicable governmental authority with respect to recycling of waste and refuse, including, without limitation, the separation of trash into "recyclable" and

"non-recyclable" materials and/or categories of each of same. The Board may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by the Unit Owners for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. The Board may also establish other rules and regulations regarding the recycling and disposal of trash. Any costs incurred by the Board to enforce the rules and regulations of the Board or the requirements of applicable law regarding the recycling of trash against a Unit Owner, including, without limitation, legal fees, fines and penalties imposed by any government agency, shall be payable by the Unit Owner as additional Common Charges. Unit Owners will comply with the following procedures with respect to the disposal of the refuse: (a) wrap dust, flour and powdered waste before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the designated refuse area; (d) crush into tight bundles all loose papers before placing the same in the designated refuse area; (e) deposit all bundles of waste into the hopper; and (f) refrain from depositing waste of an explosive or otherwise hazardous nature therein. Any refuse not disposable by depositing same in the designated refuse area must be picked up directly from the Unit by Building personnel at such times and in such manner as the Board or the Managing Agent shall determine.

27. Unit Owners will comply with the laws, ordinances, rules and regulations of the City of New York or any other applicable governmental authority, including without limitation, those with respect to window guards and notices of emergency access and egress.

28. Except as otherwise expressly provided in the Bylaws and the Declaration, Unit Owners, their families, guests, service personnel, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

29. The Board shall have the right from time to time to relocate any portion of the Common Elements used by the Building for storage or service purposes.

30. Unless expressly authorized by the Board in each case, at least 80% of the floor area of each Unit that is directly above another Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.

31. No Unit Owner, tenant or occupant of a Unit shall conduct any group tour, exhibition or open house of any Unit or its contents or any auction sale in any Unit, without the prior consent of the Board or the Managing Agent.

32. In the event that any Residential Unit is used for home occupation purposes or other purposes which are permitted by law or court order, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

33. Any consent or approval given under these Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Board, at any time

by resolution of the Board. Further, any such consent or approval may, in the discretion of the Board or the Managing Agent, be conditional in nature.

34. The Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Building when, in the judgment of the Board, the Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium, the Building or the preservation of good order therein, or the operation or maintenance of the Condominium, the Building or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Building. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant shall operate as a rescission, alteration, waiver or addition in respect of any other Unit Owner or other occupant.

35. Notwithstanding any references to "Unit Owner" in these Rules and Regulations, the Rules and Regulations of the Condominium shall be binding upon all tenants, guests and other occupants of the Condominium. Unit Owners shall be responsible for enforcing compliance with, and liable for any violation of, the Rules and Regulations by members of their families, guests, invitees, tenants, employees, agents, visitors and any other occupants of their Units.

36. With respect to any Unit to which there is a Terrace or Balcony appurtenant, the following additional rules and regulations shall apply: All furniture must be "patio/terrace" furniture which is rust-proof; any planting/landscaping (including the containment and installation thereof) must comply with all Legal Requirements. No irrigation or watering systems may be installed without the consent of the Board. Plants may not exceed the total weight allowance of 100 pounds and must be planted in water-proof containers so as not to cause water leakage. Any damage caused by the Unit Owner's negligence shall be at such Unit Owner's sole cost and expense. All Terraces and Balconies must be kept clean and free from snow, ice, leaves and debris and all screens and any drains must be kept in good repair. The Unit Owner shall not remove any of the above items by putting them over the Terrace or Balcony walls, but shall remove said items either through the apartment or through drainage where appropriate. No hanging of any items, including but not limited to banners, laundry, decorations, etc., from any Terrace or Balcony wall, structure, railing or other temporary or permanent structure is permitted. No items, including but not limited to climbing equipment, bikes, pools, children's toys, etc., may be stored on any Terrace or Balcony; any appropriate furniture including table, chair cushions and umbrellas may be left on the Terraces and Balconies only if properly secured. No items can be placed on the Terrace or Balcony parapet wall and/or railing. In no event shall any Unit Owner be permitted to enclose any Terrace or Balcony (except to the extent that such Terrace or Balcony was enclosed by Sponsor) or erect any structure on any Terrace or Balcony. No portion of any Terrace or Balcony may be painted, cemented or changed in any fashion from its original appearance. No carpeting may be placed on any Terrace or Balcony. Lighting fixtures may only be plugged into regulation sockets. No satellite dishes may be placed on any Terrace or Balcony. No animals, which include but are not limited to dogs, cats, birds, are allowed on any Terrace or Balcony.

37. There will be no barbecuing permitted in the Units or in/on the Common Elements (including, without limitation, the Residential Limited Common Elements such as any Terrace or Balcony).

38. With respect to any lease (and lease renewal) which, pursuant to the Bylaws, is subject to the Board's review and right of first refusal, the fee for any such lease (or renewal of a lease) is $300 (or such higher amount as may be determined by the Board (to take effect on no less than 30 days' notice) as may be consistent with fees charged at other similar buildings), payable to the Managing Agent. Any such Unit Owner that has entered into or renewed a lease with a tenant and has not submitted the lease (or lease renewal) to the Managing Agent will have 30 days from the date notified by the Managing Agent to submit the lease or the renewal. In the event that any such Unit Owner does not submit such lease or lease renewal to the Board within such 30 day period, such Unit Owner shall be subject to a $500 fine (in addition to any fee otherwise payable in respect thereof) and further action by the Board.

EXHIBIT 9

FORM OF APPLICATION TO ATTORNEY GENERAL FOR RESOLUTION OF DISPUTE CONCERNING DOWNPAYMENT

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-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant_____

2. Address of Applicant_____

3. Name, Address, and Telephone Number of Applicant's Attorney (if any)_____

4. This is an application for

   return of 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:

_____

_____

_____

_____

(b) Date of expiration of the letter of credit, if known:

_____

12. Plan information:

(a) Date of filing of plan:_____

(b) Plan

[ ] has been declared effective. Approximate date:
_____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date:
_____

[ ] has not closed.

[ ] don't know.

(d) 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 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.

_____
_____
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_____

15. I am contemporaneously sending a copy of this application to the following persons:

_____
_____
_____
_____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature:_____ Date_____

Name (Printed):_____

Telephone: (Home):_____ (Business)_____

Mailing Address: _____
_____
_____

EXHIBIT 10

FORM OF ESCROW AGREEMENT WITH RESPECT TO DEPOSITS

EXHIBIT B-25

ESCROW AGREEMENT

AGREEMENT made as of this ___th day of _____, 200_, between Continental Residential Holdings, LLC ("SPONSOR"), as sponsor, and Kramer Levin Naftalis & Frankel LLP ("ESCROW AGENT"), as escrow agent.

WHEREAS, SPONSOR is the sponsor under an offering plan (the "Offering Plan") for 325 FIFTH AVENUE CONDOMINIUM, located at 325 Fifth Avenue, New York, New York 10016; and

WHEREAS, Kramer Levin Naftalis & Frankel LLP is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder (the "Regulations"); and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers of units from SPONSOR under the Offering Plan, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers from and after the date hereof. The escrow account has been opened with **[BANK NAME], [BANK ADDRESS]**, New York, New York 100__. The account number is to be provided by Escrow Agent to Sponsor upon receipt.

1.2 The name of the account is "325 Fifth Avenue Condominium Escrow Account".

1.3 The following partners in ESCROW AGENT are the sole signatories on the account: Jay A. Neveloff, James P. Godman, Paul S. Pearlman, Neil R. Tucker, and Howard J. Rothman.

1.4 The escrow account shall be an interest-bearing account as disclosed in the Offering Plan.

1.5 The escrow account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT

2.1 All funds hereafter received from prospective purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser to the

order of "Kramer Levin Naftalis & Frankel LLP as escrow agent" for the Offering Plan for 325 Fifth Avenue 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, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the Offering Plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the purchaser.

3. RELEASE OF FUNDS.

3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the Offering Plan as defined in the Attorney General's regulations. Consummation of the Offering Plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both SPONSOR and the purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan or (b) all purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

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

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon the dissolution of ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is cancelled, by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(c) All unsold units offered by SPONSOR pursuant to the Offering Plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 (a) or (b) above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

9. GOVERNING LAW.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

11. ESCROW AGENT'S RIGHTS.

11.1 ESCROW AGENT shall not be responsible to SPONSOR for any act or failure to act on its part except for its own willful default or gross negligence. ESCROW AGENT shall be automatically released by SPONSOR from all responsibility and liability under this Agreement upon ESCROW AGENT's distribution of deposits and payments in accordance with the provisions of this Agreement, GBL Section 352-e(2-b) and the Regulations.

11.2 SPONSOR hereby indemnifies and holds ESCROW AGENT harmless from any and all losses, damages, claims, liabilities, judgments and other costs and expenses of every kind and nature which may be claimed against or incurred by ESCROW AGENT by reason of its acceptance of, and/or its performance under, this Agreement (other than those ultimately determined to have arisen out of the willful misconduct or gross negligence of ESCROW AGENT), including, without limitation, attorneys' fees either paid to retained attorneys or amounts representing the fair value of legal services rendered to itself. The foregoing indemnification shall survive the termination of this Agreement.

11.3 As to SPONSOR, ESCROW AGENT shall be entitled to consult with and retain counsel selected by it (including any member of its firm) with respect to its duties as ESCROW AGENT and be reimbursed by SPONSOR for all reasonable fees and expenses of such consultation and retention. As to SPONSOR, ESCROW AGENT may act or refrain from acting in respect of any matter referred to herein by and with, and in full reliance upon, the advice of such counsel and, except in the case of its own willful

default or gross negligence, ESCROW AGENT shall be fully protected in so acting or refraining from acting upon the advice of such counsel.

11.4 ESCROW AGENT or any member of its firm may act as counsel to SPONSOR in any dispute or question as to the disposition of the deposits or payments or in any dispute between SPONSOR or any purchaser with respect to any matter whatsoever, whether or not ESCROW AGENT is then holding any deposits or payments of such purchaser and is continuing to act as ESCROW AGENT hereunder.

12. SEVERABILITY.

12.1 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.

13. ENTIRE AGREEMENT.

13.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

KRAMER LEVIN NAFTALIS & FRANKEL LLP

By_____, Partner

SPONSOR:

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

By:_____
Name:
Title:

EXHIBIT 11

NOTICE OF CERTIFICATION REGARDING PLAZA

Notice of Certification

This Notice, made as of the 1st day of September 2004, by Continental Residential Holdings, LLC, a NY limited liability company, having an address c/o Douglaston Development, 42-06 235th Street, Douglaston, NY 11363; Forman Fifth LLC, a New York limited liability company, having an office c/o Forman Realty Management, 130 Shore Road, Port Washington, New York, 11050; Prime 7-9 East 32nd, LLC, a New York limited liability company, having offices c/o Prime Realty Services, LLC, 139A Haven Avenue, New York, New York, 10032; and 11-13 East 32nd Street Housing Corporation, a New York corporation, having offices c/o Mr. John Ilibassi, Vikar Management, 253-11 80th Avenue, Glen Oaks, New York, 11004 (the "Owners").

WHEREAS, the Owners are the fee owners of certain real property located in the Borough of Manhattan, County of New York, City and State of New York, which property is designated as Block 862, Tax Lots 1, 3, 4, and 9 (all including former lot 8); 11; and 73 and commonly known by the street addresses of 325 Fifth Avenue (Lots 3, 4, 73), 319 Fifth Avenue (Lot 1), 7-9 East 32nd Street (lot 9), and 11-13 East 32nd Street (Lot 11), and which is more particularly described in Exhibit A attached hereto (the "Property").

WHEREAS, a residential plaza exists on or is proposed for the Property for which valuable benefits were or will be received in the form of additional floor area (the "Residential Plaza"); and

WHEREAS, with respect to such Residential Plaza, the Owners submitted an application designated number N 050079ZCM dated August 31, 2004 (the "Application") to the Chairperson of the City Planning Commission (the "Chairperson") requesting certification pursuant to Section 27-01 of Article II, Chapter 7 of the Zoning Resolution of the City of New

York that a site plan for a Residential Plaza that complies with such Section 27-01 has been submitted to the Chairperson; and

WHEREAS, in connection with and as a requirement of certification, the Owners are required to file a Notice of Certification with the New York City Register; and

WHEREAS, the Owners desire to restrict the manner in which the Property may be developed, redeveloped, maintained and operated in the future and intends these restrictions to benefit all the land, including land owned by the City of New York, lying within one-half mile of the Property; and

THEREFORE, the Owners give this Notice of Certification to the City of New York (the "City") and future owners and to every party having any right, title or interest in the property and their respective heirs, successors, or assigns:

1. The Residential Plaza shall be developed and maintained substantially in accordance with the following plans prepared by The Stephen B. Jacobs Group, PC, attached hereto as Exhibit B and made a part hereof:

Title	Drawing Number	Date
Zoning Text & Site Plan	A-00	6/2/04; last revised 8/31/04
Building Elevations	A-01	6/2/04; last revised 8/31/04

The Residential Plaza shall be developed and maintained substantially in accordance with the following plans prepared by Thomas Balsley Associates dated August 31, 2004, attached hereto as Exhibit B and made a part hereof:

Title	Drawing Number	Date
Plaza Plan	L-01	8/31/04
Planting Plan	L-02	8/31/04
Lighting Plan	L-03	8/31/04
Site Details - Wall Treatment	L-04	8/31/04
Site Details - Fence	L-05	8/31/04
Site Details	L-06	8/31/04

2. Upon certification of the Application by the Chairperson, the Owners shall file and duly record this Notice of Certification in the Borough Office of the City Register of the City of New York, indexing it against the Property. The Owners shall, promptly following recordation of this notice, deliver to the Chairperson a true copy of this notice as recorded and certified by the City Register. Such filing is a precondition of the filing for or the issuance of any building permit for any development or enlargement on the zoning lot.

3. A duly recorded copy of this Notice of Certification shall be attached to and submitted with any application relating to the Property filed with the New York City Department of Buildings or Department of Transportation. These agencies and any other agency of the City of New York may enforce the restrictions contained herein by any method authorized by law or in equity.

4. The recording information that appears on this Notice of Certification shall be included on any Certificate of Occupancy issued in connection with the Property after such recording date.

IN WITNESS WHEREOF, the Owners have executed this Notice of Certification on the date written above.

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

BY: _____
NAME: _____
TITLE: _____

FORMAN FIFTH, LLC

BY: _____
NAME: _____
TITLE: _____

PRIME 7-9 EAST 32ND, LLC

BY: _____
NAME: _____
TITLE: _____

11-13 EAST 32ND STREET HOUSING CORPORATION

3. A duly recorded copy of this Notice of Certification shall be attached to and submitted with any application relating to the Property filed with the New York City Department of Buildings or Department of Transportation. These agencies and any other agency of the City of New York may enforce the restrictions contained herein by any method authorized by law or in equity.

4. The recording information that appears on this Notice of Certification shall be included on any Certificate of Occupancy issued in connection with the Property after such recording date.

IN WITNESS WHEREOF, the Owners have executed this Notice of Certification on the date written above.

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

BY: _____
NAME: Steven Chaino
TITLE: Director

FORMAN FIFTH, LLC

BY: _____
NAME: _____
TITLE: _____

PRIME 7-9 EAST 32ND, LLC

BY: _____
NAME: _____
TITLE: _____

11-13 EAST 32ND STREET HOUSING CORPORATION

BY: _____
NAME: _____
TITLE: _____

3. A duly recorded copy of this Notice of Certification shall be attached to and submitted with any application relating to the Property filed with the New York City Department of Buildings or Department of Transportation. These agencies and any other agency of the City of New York may enforce the restrictions contained herein by any method authorized by law or in equity.

4. The recording information that appears on this Notice of Certification shall be included on any Certificate of Occupancy issued in connection with the Property after such recording date.

IN WITNESS WHEREOF, the Owners have executed this Notice of Certification on the date written above.

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

BY: _____
NAME: _____
TITLE: _____

FORMAN FIFTH, LLC

BY: _____
NAME: Peter A. Forman
TITLE: Manager

Monique Bullitt
Notary Public State of New York
No. 01BU6101426
Qualified in New York County
Commission Expires November 17, 2007

Monique Bullitt
Comm'd Expires 11/17/2007

PRIME 7-9 EAST 32ND, LLC

BY: _____
NAME: _____
TITLE: _____

11-13 EAST 32ND STREET HOUSING CORPORATION

BY: _____
NAME: _____
TITLE: _____

3. A duly recorded copy of this Notice of Certification shall be attached to and submitted with any application relating to the Property filed with the New York City Department of Buildings or Department of Transportation. These agencies and any other agency of the City of New York may enforce the restrictions contained herein by any method authorized by law or in equity.

4. The recording information that appears on this Notice of Certification shall be included on any Certificate of Occupancy issued in connection with the Property after such recording date.

IN WITNESS WHEREOF, the Owners have executed this Notice of Certification on the date written above.

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

BY: _____
NAME: _____
TITLE: _____

FORMAN FIFTH, LLC

BY: _____
NAME: _____
TITLE: _____

PRIME 7-9 EAST 32ND, LLC

BY: _____
NAME: Richard H. Arden
TITLE: Managing Member

11-13 EAST 32ND STREET HOUSING CORPORATION

BY: _____
NAME: _____
TITLE: _____

11-13 EAST 32ND STREET HOUSING CORPORATION

BY: _____
Name: _____
Title: _____

State of New York
County of

On the 7 day of Sept. in the year 2004 before me, the undersigned, a notary public in and for said state, personally appeared John Ilibassi, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

CINDY J. CARACCIO
Notary Public, State of New York
No.30-01CA4866987
Qualified in Nassau County
Commission Expires May 18, 2007

Notary Public Cindy J. Caraccio

State of New York
County of

On the _____ 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

STATE OF NEW YORK)
)
COUNTY OF New York)

On the 15 day of September, 2004, before me, the undersigned, personally appeared Peter A. Forman, known to be the Manager of Forman Fifth, LLC, personally 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, that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual(s) acted, executed the instrument.

Monique Bullett
Notary Public

Monique Bullett
Notary Public State of New York
No. 01BU6101426
Qualified in New York County
Commission Expires November 17, 2007

State of New York
County of Queens

On the 7 day of September in the year 2004 before me, the undersigned, a notary public in and for said state, personally appeared Steve Chan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

MATTHEW J. FELDMAN
Notary Public, State of New York
No. 02FE6070133
Qualified in New York County
Commission Expires Dec. 9, 2007

Notary Public

State of New York
County of

On the _____ 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

BY: _____
NAME: _____
TITLE: _____

State of New York
County of

On the _____ 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

State of New York
County of

On the _____ 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

State of New York
County of

On the _____ 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

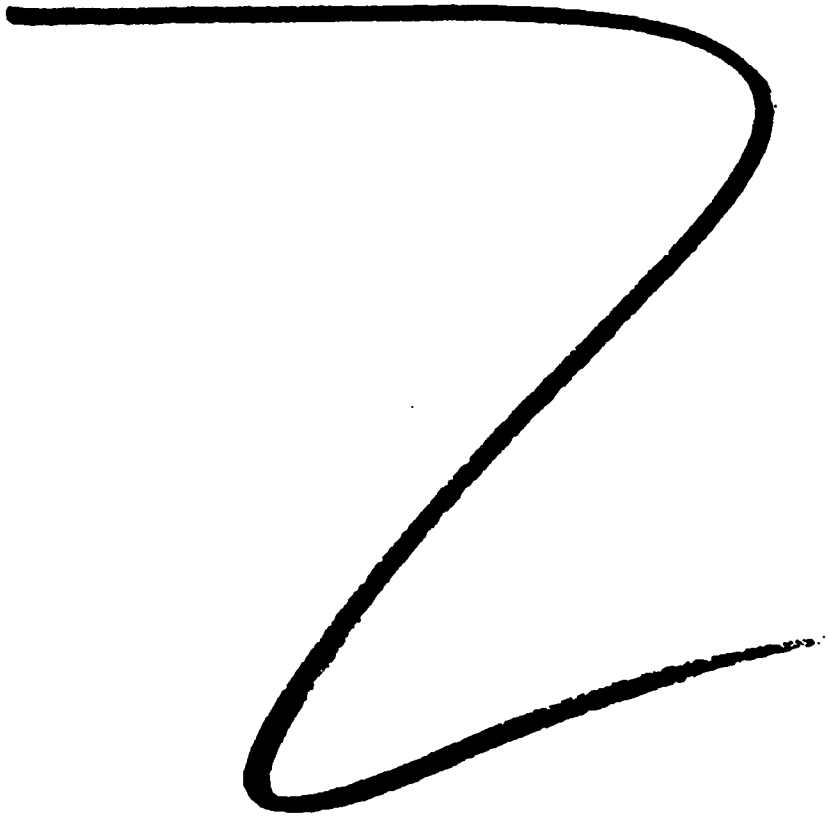
_____
Notary Public

State of New York
County of

On the _____ 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

EXHIBIT A



PERIMETER DESCRIPTION

Block 862 tax lots 3, 4, 73 and former tax lot 8
and Block 862 tax lots 1, 9 and 11

All that certain plot, piece or parcel of land situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

Beginning at the corner formed by the intersection of easterly side of Fifth Avenue and the northerly side of East 32nd Street;

Thence northerly along the easterly side of Fifth Avenue, 172 feet 9 3/4 inches;

Thence easterly parallel with the southerly side of East 33rd Street, 70 feet;

Thence northerly parallel with the easterly side of Fifth Avenue, 24 feet 8 1/4 inches to a point on the southerly side of East 33rd Street;

Thence easterly along the southerly side of East 33rd Street, 80 feet;

Thence southerly parallel to the easterly side of Fifth Avenue, 98 feet 9 inches to the center line of the block;

Thence easterly along the said center line of the block, 100 feet;

Thence southerly parallel to the easterly side of Fifth Avenue, 98 feet 9 inches to a point on the northerly side of East 32nd Street;

Thence westerly along the northerly side of East 32nd Street, 250 feet to the point or place of Beginning.

EXHIBIT B

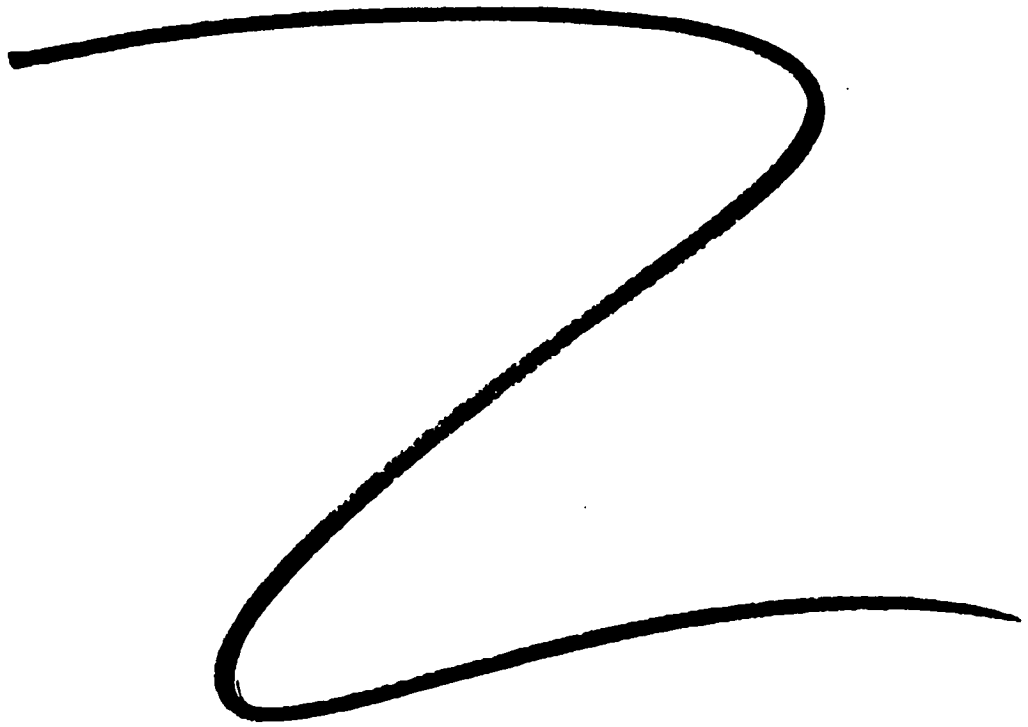


EXHIBIT 12

CERTIFICATIONS

12A	Sponsor and Principals
12B	Sponsor's Architect
12C	Sponsor's Expert Concerning Adequacy of Budget
12D	Sponsor's Expert Concerning Adequacy of Common Charges Payable by the Commercial Unit Owners

EXHIBIT A-1

CONTINENTAL RESIDENTIAL HOLDINGS, LLC
c/o Douglaston Development LLC
42-06 235th Street
Douglaston, New York 11363

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS
PURSUANT TO SECTION 20.4(b) OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

December 3rd, 2004

New York State Department of Law
120 Broadway
New York, New York 10271
Att.: Investment Protection Bureau

Re: **325 Fifth Avenue Condominium**
325 Fifth Avenue, New York, NY 10016

The undersigned certify as follows:

We are the sponsor and the principals of the sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for complying with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

1. set forth the detailed terms of the transaction and be complete, current and accurate;

2. afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

3. not omit any material fact;

4. not contain any untrue statement of a material fact;

5. not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

6. not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

7. not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

CONTINENTAL RESIDENTIAL HOLDINGS, LLC

By: _____

Name: **Steven Charno**

Title: **Director**

Sworn to before me this
3 day of December, 2004

_____
Notary Public

MATTHEW J. FELDMAN
Notary Public, State of New York
No. 02FE5070133
Qualified in New York County
Commission Expires Dec. 9, 2004

Sworn to before me this
3 day of December, 2004

Notary Public
MATTHEW J. FELDMAN
Notary Public, State of New York
No. 02FE5070133
Qualified in New York County
Commission Expires Dec. 9, 2004

Jeffrey Levine

Sworn to before me this
3 day of December, 2004

Notary Public
MATTHEW J. FELDMAN
Notary Public, State of New York
No. 02FE5070133
Qualified in New York County
Commission Expires Dec. 9, 2004

Steven Fisch

Sworn to before me this
3 day of December, 2004

Notary Public

MATTHEW J. FELDMAN
Notary Public, State of New York
No. 02FE5070133
Qualified in New York County
Commission Expires Dec. 9, 2004

Mark Fisch

STEPHENBJACOBSGROUPPC architects • planners

Stephen B. Jacobs, FAIA
Herbert E. Weber, Jr., AIA
Alexander B. Jacobs, AIA
Ricky Eng, AIA

CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO SECTION 20.4(c) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

March 21, 2005

New York State Department of Law
120 Broadway
New York, New York 10271
Att.: Investment Protection Bureau

Re: **325 Fifth Avenue**
325 Fifth Avenue, New York, NY 10016

The undersigned, a licensed architect in the State of New York, hereby certifies as follows:

The sponsor of the condominium offering plan for the captioned property (the "Property") retained our firm to prepare a report describing the construction of the Property (the "Report"). We have examined the building plans and specifications, dated as of November 19, 2004, that were prepared by The Stephen B. Jacobs Group, P.C. that were submitted on November 24, 2004 to the Department of Buildings and prepared the Report, dated as of March 18, 2005, a copy of which is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire Property as it will exist upon completion of the construction, provided the construction is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the Property as it will exist upon completion of the construction, provided that the construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

Stephen B. Jacobs, FAIA

By: _____
Name: The Stephen B. Jacobs Group, PC
Title: Principal

Sworn to before me this
2nd day of March, 2005

_____
Notary Public

DIANE H. R. HECHLER
Notary Public, State of New York
No. 4803198
Qualified in Queens County
Commission Expires January 31, 2007



6 East 43rd Street • New York, NY 10017 • Tel: 212-682-7373 • Fax: 212-682-5441

EXPERT'S CERTIFICATION REGARDING ADEQUACY OF BUDGET

February 10, 2005

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

Re: 325 Fifth Avenue Condominium

Gentlemen:

The Sponsor of the Offering Plan for Condominium Ownership of the above captioned property retained our firm to prepare Schedule B containing projections of income and expenses of the Condominium for the first year of operation. Our experience in this field includes the management of cooperatives and/or condominiums, throughout Manhattan and Queens, and we have been in business for over twenty-five 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 reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We have also relied on our experience in managing residential buildings.

We certify that the projections in Schedule B appear reasonable and adequate based on existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedule:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis on 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 of 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 representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

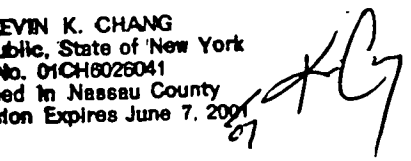
By: 

Sworn to before me this

10th day of February, 2005

Notary Public

KEVIN K. CHANG
Notary Public, State of New York
No. 01CH6026041
Qualified In Nassau County
Commission Expires June 7, 2007





6 East 43rd Street • New York, NY 10017 • Tel: 212-682-7373 • Fax: 212-682-5441

EXPERT'S CERTIFICATION REGARDING ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER

February 10, 2005

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

Re: 325 Fifth Avenue Condominium

The Sponsor of the Condominium Offering Plan for the above captioned property retained our firm to prepare Schedule B, which includes projections of common charges payable by the owner of the Commercial Unit. Our experience in this field includes the management of many cooperatives and/or condominiums, throughout Manhattan and Queens, and we have been in business for over twenty-five 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 the Commercial Unit listed in Schedule B.

We have reviewed the Schedule as it impacts upon the Commercial Unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. We have also relied on our experience in managing residential buildings.

We certify that the projections in Schedule B for common charges payable by the owner of the commercial unit appear reasonable and adequate under existing circumstances to meet the

anticipated operating expenses fairly attributable to such Commercial Unit for the projected first year of condominium operation, and that the allocation of common charges attributable to such Commercial Unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owner of the Commercial Unit:

(i) set forth in detail the projected income and expenses for the Commercial Unit for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner of the Commercial Unit;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we; (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the Commercial Unit for the first year of condominium operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

By: _____

Sworn to before me this

10th day of February, 2005

Notary Public

KEVIN K. CHANG
Notary Public, State of New York
No. 01CH6026041
Qualified in Nassau County
Commission Expires June 7, 2006

EXHIBIT 13

REAL PROPERTY LAW SECTION 339-kk

§ *339-kk Real Prop.* Rents.

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers 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 condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.