CONDOMINIUM OFFERING PLAN FOR
88 WASHINGTON PLACE CONDOMINIUM
A PLAN TO CONVERT TO CONDOMINIUM OWNERSHIP

PREMISES KNOWN AS
88 WASHINGTON PLACE
NEW YORK, NEW YORK 10011

TOTAL PURCHASE PRICE FOR ALL 14 RESIDENTIAL UNITS	$28,295,000.00
TOTAL PURCHASE PRICE FOR ALL 14 STORAGE UNITS	$ 281,000.00
TWO COMMERCIAL UNITS (NOT OFFERED FOR SALE)	-0-
TOTAL OFFERING	$28,576,000.00

Name and Address of Condominium:

88 WASHINGTON PLACE CONDOMINIUM
88 Washington Place
New York, New York 10011

Name and Address of Sponsor:

PAXTON 350, LLC and CIAO-DI RESTAURANT CORPORATION
c/o Friedberg Greener Cohen, LLP
444 Madison Avenue, Suite 805
New York, New York 10022

Name and Address of Selling Agent:

THE CORCORAN GROUP
660 Madison Avenue
New York, New York 10021

Date of Acceptance for Filing: June 1, 2005
This Plan May Not Be Used For More Than Twelve (12) Months From This Date Unless Extended By Amendment.

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

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS

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

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SPECIAL RISKS

1. The following is a brief summary of certain special risk considerations in connection with this Offering Plan. The material below does not purport to provide a complete description of the features of the Plan and must be read in conjunction with the entire Plan for complete understanding of these risks and the material aspects of the Plan. For the definitions of capitalized terms refer to the section of the Plan entitled "Definitions."

2. Sponsor is retaining the unconditional right to rent rather then sell Units, this Plan may not result in the creation of a Condominium in which Units are owned by owner-occupants or investors unrelated to the Sponsor. However, so long as Sponsor is able to achieve the prices listed on Schedule A, as such may be amended, Sponsor is committed to selling all of the Residential Units.

See the section of the Plan entitled "Rights and Obligations of the Sponsor" for further details.

3. Upon the earlier of (i) the closing of title to Residential Units whose aggregate Common Interests exceed ninety (90%) percent of the total Common Interest allocated to the Residential Units, or five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control. Accordingly, it is possible that Sponsor and/or its designee(s) may control the Board of Managers for as long as five (5) years from the First Unit Closing. Non-resident Board members, including the Sponsor, may have different ideas and interests which conflict with those of resident Board members with regard to how the Condominium should be operated and/or managed, based on their different reasons for purchasing a Unit.

See the section of the Plan entitled "Control by Sponsor" for further details.

4. Upon completion of all construction, Sponsor will obtain a certificate of occupancy for the uses contemplated by this Plan. The First Closing shall not take place until Sponsor obtains either a temporary or permanent certificate of occupancy reflecting the proposed uses.

See the section of the Plan entitled "Rights and Obligation of the Sponsor" for further details.

5. The Commercial Units will be located on street level and the second floor of the Building and may be used for any lawful commercial purpose under the New York City Zoning Resolution. The second floor Commercial Units shall qualify as a "community facility" under the New York City Zoning Resolution. The type of business which may presently occupy the Commercial Units other than the "Community Facility" include, but are not limited to, a wide variety of local consumer and public service needs. These include convenience retail shops, dry cleaners, cafes and restaurants, food stores, banks, professional offices, bookstores, fire and police stations and like establishments. Manufacturing and industrial uses which generate truck traffic, loading and unloading of materials and other uses not compatible with the residential character of the upper floors are prohibited. The second floor Community Facility may accommodate certain community

based activities such as schools and colleges, libraries, museums, medical offices, offices for philanthropic or non-profit institutions and similar types uses. If used as a food establishment, noise and fumes may emanate from the Commercial Units and traffic in and out of the Building may increase.

The Condominium Board and the Residential Unit Owners have no control over the use or any change in the uses of the Commercial Units or any part thereof. Other than provided herein, no representation is made with respect to the uses to which the Commercial Units or any part thereof may be put at any time. No representation is made with respect to the continued ownership by Sponsor of all or any portion of the Commercial Units or as to who the tenants of any portion of the Commercial Units may be at any time or as to the uses to which any portion of the Commercial Units may be put at any time (except as described above), and no assurance, representation or warranty is given that such tenants, occupants or uses will not be objectionable to Residential Unit Owners or other parties.

See the section of the Plan entitled "Rights and Obligation of Unit Owners" for further details.

6. Unit Owners may sell or lease their Units without restrictions provided that the Unit Owner first gives the Board of Managers the "right of first refusal" (sales or leases by the Sponsor, its designees, the Commercial Unit Owners and/or holders of Unsold Units will not require the providing of such right).

See the section of the Plan entitled "Rights and Obligations of Units Owners" for further details.

7. The Purchase Agreement that each Purchaser of a Unit will sign makes TIME OF THE ESSENCE with respect to a Purchaser's performance of his obligation under the Purchase Agreement. Thus, upon occurrence of an event of default by a Purchasers under a Purchase Agreement, Sponsor, in its sole discretion, may elect to cancel the Purchase Agreement by sending Purchaser thirty (30) days' prior written notice of its intention to do so. If Sponsor elects to cancel and sends the required notice, the Purchaser shall have thirty (30) days from the giving of the cancellation notice within which to cure the specified default. TIME IS OF THE ESSENCE to cure such default within the thirty (30) day notice period. If the default is not timely cured, the Purchase Agreement may be canceled by the Sponsor and the Sponsor shall then have the right to retain, as liquidated damages, the Downpayment plus the cost incurred by Sponsor for an special work in the Unit ordered by Purchaser, together with any interest earned thereon. Sponsor may, in its sole discretion, permit the Purchaser to cure a default under the Purchase Agreement after the thirty (30) day period. In such case, Purchaser shall be required to pay to Sponsor a penalty for a late closing (i.e., a closing on a date subsequent to that date set forth in the Purchase Agreement as the closing date).

See the section of the Plan entitled "Procedure to Purchase" for further details.

8. The Purchase Agreement, in the form set forth in Part II of the Plan, is not contingent upon the Purchaser obtaining financing nor does this Plan contain any provision requiring the Sponsor to provide or aid the Purchaser in obtaining financing for the purchase of a Unit. Accordingly, a Purchaser who is unable to tender the balance due at closing will be in default of his Purchase Agreement entitling the Sponsor to retain such Purchaser's down payment and all accrued interest thereon.

No representation is made that bank financing will be available to any Purchasers under the Plan or as to the amount, terms and conditions upon which such financing may be granted or the cost to obtain it. Purchasers should be aware that even if a loan commitment is given, its term may expire prior to the date of the closing. In the event a Purchaser's loan commitment does expire, the Purchaser will remain obligated to close on the Unit under the terms of the Purchase Agreement.

9. Pursuant to existing law and regulations, the Sponsor may declare the Plan effective by selling a minimum of fifteen (15%) percent of the Residential Units in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to submit the Building to condominium ownership with fewer than the minimum number of sales, if Purchasers counted toward effectiveness do not ultimately close on the purchase of a Unit.

See the section of the Plan entitles "Effective Date of the Plan" for further details.

10. Pursuant to the Declaration of Condominium contained in Part II of the Plan, the Sponsor, its designee and/or the Commercial Unit Owners may make alterations, additions and improvements to its respective Units without the consent of the Board of Managers, provided, however, no such alteration, addition or improvement may affect any portion of the Building utilized by other Unit Owners or alter the outside of the Building. Such alterations, additions and improvements must be performed in compliance with all laws, ordinances and regulations of all governmental authorities having jurisdiction. The Sponsor, its designee and/or the Commercial Unit Owners shall indemnify and hold harmless the Board of Managers and the other Unit Owners in connection with any such alterations.

See Article 12 of the Declaration of Condominium entitled "Changes in Units" for further details.

11. If, through no fault of Sponsor, a Purchaser fails for any reason to close on the date originally scheduled for the closing of title to his Residential Unit ("Original Closing Date"), then (A) the closing adjustments shall be made as of midnight preceding the Original Closing Date; and (B) Purchaser shall pay to Sponsor an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the Original Closing Date to (and including) the day before the actual Closing Date (NOTE: If the Unit is vacant, the Purchaser will be required to reimburse Sponsor for all Common Charges, real estate taxes and any special assessments payable during such interim period).

See the section of the Plan entitled "Unit Closing Cots and Adjustments" for further details.

12. Purchasers will be required to pay the Real Estate Transfer Tax of the State of New York and the Real Property Transfer Tax (RPT) to the City of New York, which by law are customarily the primary obligations of the seller. The current transfer taxes are as follows: $2.00 per $500.00 of the price of the Unit with respect to the New York State Transfer Tax; one percent (1%) of the Purchase Price of Units selling for under $500,000.00 or 1.425% for units selling above $500,000.00 with respect to the New York City Transfer Tax. Purchasers should also be aware that Units acquired for purchase prices in excess of $1,000,000.00 are subject to the so called "mansion tax," which is one (1%) percent of the total purchase price and is payable by Purchaser at closing to the State of New York Department of Taxation and Finance. In addition, Purchasers will be required to pay $1,500.00 to Sponsor's attorney at closing for the preparation of closing documents and attendance at the closing and $1,000.00 for reviewing a title report if Purchaser buys title insurance from a company other than the title company selected by Sponsor, as provided in this Plan. Purchasers will also be required to make a contribution to the Working Capital Fund in the amount equal to two month's Common Charges. All closings will be held at the office of Sponsor's attorney.

See the section of the Plan entitled "Unit Closing Costs and Adjustments" for further details.

13. Based upon the current construction schedule, Sponsor has targeted the First Closing to take place in June of 2006. However, the actual date of the First Closing is not assured or warranted by the Sponsor and may be earlier or substantially later depending upon the progress of construction and compliance with other prerequisites for closing. Sponsor reserves the right to exercise full discretion with respect to all decision as to the time it deems is required to complete the construction of the Building and Units pursuant to this Plan. **Purchasers will not be excused from paying the full purchase price, as stated in their respective Purchase Agreements and will have no claim against Sponsor for damages and loses in the event the First Closing occurs substantially later than the targeted First Closing date or the time to complete and close their respective individual Units is extended or delayed or is postponed by the Sponsor.** Notwithstanding the foregoing, in the event that the First Closing has not occurred by June 1, 2007, Purchasers will be afforded a fifteen (15) day right of rescission with respect to their Purchase Agreements.

See the section of the Plan entitled "Procedure to Purchase" for further details.

14 No bond or other security has been posted to secure the Sponsor's obligations under this Plan. The ability of the Sponsor to perform its obligations hereunder will depend upon its financial condition at the time it is called upon to perform. If Sponsor is unable to perform, this Plan will be amended, sales will cease and rescission will be offered to all of the Purchasers under contract with the Sponsor. Except as provided above, no representation can be made that it will be financially able to perform any or all if its obligations, however, as of the date hereof, Sponsor has the financial resources to meet its obligation with respect to Unsold Units.

See the section of the Plan entitled "Rights and Obligation fo the Sponsor" for further details.

15. Sponsor is obligating itself under the term of this offering to perform only the work which is described in the "Architect's Description of Property and Building Condition" (the "Architect's Report") which is set forth in Part II of the Plan. Sponsor has posted no bond or other security to secure Sponsor's obligations to complete the construction of the Condominium.

See the section of the Plan entitled "Rights and Obligations of the Sponsor" and Exhibit D to the Plan, entitled "Description of Property" for further details.

16. All units and all or a portion of certain common areas, may not be completed prior to the First Closing. So long as a temporary or partial certificate of occupancy has been issued affecting a Unit, a Purchaser of that Unit may not delay or adjourn the closing.

See the section of the Plan entitled "Procedure to Purchase" for further details.

17. Sponsor is obligated to complete all public portions and common areas of the Building as described in the Plan. Sponsor expects to obtain a temporary certificate of occupancy for some, but not all units, and for the public portions and common areas by June, 2006 and a permanent certificate of occupancy by June, 2008.

See section of the Plan entitled "Sponsor's Statement of Building Condition" for further details.

18. Prospective Purchasers are advised that Sponsor reserves the right, during the course of construction, to amend the Plans and Specifications and to substitute material and equipment different form that described in the Architect's Report, provided only that any such revision will not (a) preclude issuance of a certificate of occupancy; (b) materially adversely affect the structural integrity of the Building, or (c) vary, materially, the nature of the alterations described in the Plans and Specifications filed with the City of New York Department of Buildings. A clause of this effect is included in the Purchase Agreement.

See Section of the Plan entitled "Rights and Obligations of the Sponsor" for further details.

19. Sponsor is obligated to provide only those fixtures and appliances which are expressly described in Architect's Report.

See the section of the Plan entitled "Rights and Obligations of the Sponsor" for further details.

20. The projected monthly real estate taxes listed in "Schedule A - Offering Prices and Related Information" in Part I of the Plan are estimates of Sponsor's consultant. In general, predictions of real estate taxes are rendered uncertain by the fact that determinations of assessed

valuations in New York City are not based solely upon precise mathematical formulae. Therefore, Sponsor urges prospective Purchasers to seek the advice of an attorney and/or tax advisor as the possible monthly real estate taxes a Unit Owner may pay at the time of First Closing and in the future.

See the section of the Plan entitled "Schedule A - Offering Prices and Related Information" and "Real Estate Taxes" for further details.

21. Sponsor will be entitled to designate a majority of the member of the Board of Managers of the Condominium until the earlier to occur of (i) five (5) years after the First Closing and (ii) the closing of title to Units representing an aggregate of 90% of the Residential Common Interests allocated to the Residential Units. Therefore, during this period (the "Initial Control Period"), Sponsor will be able to control the determination of the Common Charges to be paid by all Unit Owners, as well as the maintenance and operation of, and services to be provided by, the Condominium. Notwithstanding the foregoing, Sponsor shall have the right to vote all of the Common Interests attributable to the Units owned by Sponsor in Sponsor's sole discretion.

Pursuant to the By-Laws, the owners of Commercial Unit A and Commercial Unit B shall each be entitled to designate one (1) member of the Board of Managers unless those Commercial Units is/are owned by the Sponsor and the Sponsor is then entitled to designate members of the Board, in which the case Sponsor shall not be entitled to designate a majority of the members to the Board of Managers after the termination of the Initial Control Period by virtue of Sponsor's ownership of one or more Commercial Units.

See the section of the Plan entitled "Control by Sponsor" for further details.

22. 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, upon completion of the construction to be performed by Sponsor as described herein, will be substantially new construction or will contain mechanical systems which were replaced within the last few years. The Board, in its discretion, and subject to certain restriction contained in the By-Laws, may decide in the future to create a Reserve Fund by special assessment or by increases in Common Charges.

See the section of the Plan entitled "Reserve Fund" for further details.

23. A Working Capital Fund for the Condominium will be established. Each Purchaser of a Unit, other than the Sponsor, will contribute a sum equal to two (2) month's Common Charges to establish the Working Capital Fund. No representation is made that the Working Capital Fund will be adequate to cover current or future expenses including repairs or replacement; and of additional funds are required over and above the Working Capital Fund, it may be necessary to increase Common Charges.

See the section of the Plan entitled "Working Capital Fund" for further details.

24. All funds received by the Sponsor for custom work, upgrades or extras will initially be placed in the Escrow Account. However, purchasers should note as a special risk that such funds may be released from the Escrow Account by the Escrow Agent so long as the Sponsor uses the funds to pay for the costs of such custom work, upgrades or extras. As a result, in the event that a Purchaser is entitled to a rescission of a Purchase Agreement, the purchaser will not receive a refund of any funds use for custom work, upgrades or extras.

See the section of the Plan entitled "Procedure to Purchase" for further details.

25. In the event that in the future, the Condominium's insurance premiums are increased as a direct result of an unusual use or change in the use of the Commercial Units, the respective Commercial Unit Owners (s) will be responsible to pay one hundred (100%) percent of such increase.

See Schedule B of the Plan for further details.

26. In the event the closing adjustments due to the Sponsor at the time of the initial unit closings exceed the balance of the Working Capital Fund, the excess will be paid pursuant to a promissory note executed by the Board of Managers and delivered to the Sponsor. Said promissory note shall bear interest at the prime rate set by HSBC Bank USA and will be paid by the Condominium Board in twelve (12) equal consecutive monthly installments commencing on the first day of the second month subsequent to the First Unit Closing. Should the Condominium Board execute the aforementioned promissory note, the payments thereon shall be funded from the Contingency portion of the budget and in the event that the Contingency is insufficient to satisfy the obligations; it may become necessary to increase common charges.

See the section of the Plan entitled "Working Capital Fund" further details.

27. The Building is located within the Greenwich Village Historic District. Accordingly, it is subject to all applicable restrictions and requirements imposed by law or regulation on buildings located in historic districts and is regulated by the Landmark Preservation Commission (the "LPC"). These laws and regulations provide, among other things, that all alterations to the Building, must first be approved by the LPC before any work may proceed.

See the section of the Plan entitled "Description of Property and Improvements" for the further details.

28. The Board, the Sponsor and the Sponsor's designee will have an easement through each of the Units to install and maintain pipes, conduits, wires, ducts and other mechanical facilities in the space between the underside of the floor slab of each Unit and the top surface of each

Unit's finished ceiling. Therefore, in the event of a mechanical failure shall occur or in the event that the need for maintenance repairs shall arise the Board, the Sponsor or and the Sponsor's designee, as the case may be, will have the right to gain access to the space between the underside of the floor slab of each Unit and the top surface of each Unit's finished ceiling with or without the consent of the Unit Owner.

See the "Declaration of Condominium" and the "By-Laws" included in Part II of the Plan for further details.

29. The dimensions of the Residential Units depicted in the typical layouts of the Residential Units are approximate and reflect the area measured horizontally from the exterior face of the glass and/or the line of the outside face of the exterior walls to the outside walls of partitions at the public hall, stairways and elevators. The dimensions are not measured from the interior surfaces of interior walls and therefore the floor area of a Unit will be less than the areas shown in Schedule A.

See the section of the Plan entitled "Schedule A" for the further details.

30. Lot line windows are windows located on an exterior wall abutting (or less than 30'0" away from) a property line, where the adjacent property is owned by others. While such windows provide views, light and air to spaces within, they cannot be utilized to meet light and ventilation required by the Building Code of the City of New York. Lot line windows are considered amenities that potentially can be lost. In accordance with the applicable section of the Building Code, only lot line windows that are sprinklered, may be constructed. Lot line windows exist only in Apartments 4A, 5A and Penthouse B on the southern side.

Although the applicable zoning laws, codes, rules and regulations governing lot line windows may change in the future, based upon advice from Sponsor's architect, it is Sponsor's opinion that the lot line windows in the Condominium will not have to be sealed. Neither the Sponsor nor the Condominium Board will have any liability or obligation if the closing-up of any or all lot line windows is ever required. Any and all costs incurred in connection with closing up the lot line windows shall be borne by the respective Unit Owner at its sole cost and expense. (See the Description of Property and Building Condition set forth in Part II of the Plan for a list of the Units which have lot line windows).

INTRODUCTION

GENERAL

The purpose of this Condominium Offering Plan (the "Plan") is to set forth all of the material terms of this offer to convert to condominium ownership the two-story building located at 88 Washington Place, New York, New York (the "Building") to be known as the 88 WASHINGTON PLACE CONDOMINIUM (the "Condominium"). The Plan may be amended at any time and from time to time provided that the amendment is duly filed with the Department of Law of the State of New York and is served on all Purchasers, Unit Owners and Offerees, as these terms are defined in Section 20.1(d) of Part 20 of the Regulations Governing the Conversion of Newly Constructed, Vacant or Non-Residential Condominium to Condominium Ownership. The Condominium shall be subject to Article 9-B of the Real Property Law of State of New York (the "Condominium Act"). For the definition of capitalized terms not otherwise defined herein, refer to the section of the Plan entitled "Definitions."

The Sponsors of the Plan are Paxton 350, LLC and Ciao-Di Restaurant Corporation (collectively, the "Sponsor"). Paxton 350, LLC is a New York limited liability company. Ciao-Di Restaurant Corporation is a New York corporation. Both have mailing addresses c/o Friedberg Greener Cohen, LLP, 444 Madison Avenue, Suite 805, New York, New York 10022. Ciao-Di Restaurant Corporation currently owns the entire Property. Paxton, 350 LLC joins Ciao-Di Restaurant Corporation as a Sponsor as the project developer.

The Building is being renovated on property owned by the Sponsor which was known by the street addresses of 350 Sixth Avenue and 88 Washington Place as Lot 5 of Block 552 on the official tax map of the City of New York. It is located between West 4th Street and Washington Place on the east side of Sixth Avenue, in the West Village section of New York City. In order to develop the Condominium, Sponsor intends to add four new stories to the existing two story building, resulting in fourteen (14) Residential Units, containing approximately 23,429 square feet of residential condominium space, fourteen Storage Units and two (2) Commercial Units (one of which shall qualify as a "community facility" under the New York City Zoning Resolution). Pursuant to this Plan, the Sponsor is offering for sale fourteen (14) residential apartments (the "Residential Units") and fourteen (14) storage units (the "Storage Units"). Schedule A to this Plan contains the prices at which the Residential and Storage Units are being offered. The Residential Units will be located on the 3rd, 4th, 5th floors and on the penthouse level. The residential lobby and elevators ("Residential Lobby") will be located on street level. An exercise room and play room will be located on the lower level, below the street grade. The Condominium shall also include two commercial units ("Commercial Unit A" and "Commercial Unit B," collectively, the "Commercial Units." Commercial Unit A will be located on the street level and Commercial Unit B will be located on the second floor.

The Commercial Units will contain approximately 16,346 gross square feet. The Commercial Units are not being offered for sale at this time and at least initially will be retained by a Sponsor. Sponsor, however, reserves the right to sell the Commercial Units at any time. However, the Commercial Units will be offered for sale only after the Plan has been appropriately amended or a new

plan accepted for filing disclosing the same. No representation or warranty is made as to who the owner and tenants of the Commercial Units may be at any time, or as to the legal uses to which the Commercial Units may be put at any time, except as disclosed herein.

The Sponsor is committed to selling Residential Units and Storage Units. The Sponsor will retain ownership of the Commercial Units and may, if unable to achieve the prices listed in Schedule A, as such Schedule may be amended from time to time, decide to rent certain Residential Units from time to time. However, so long as Sponsor is able to achieve the purchase prices listed on Schedule A, as such Schedule may be amended, the Sponsor is committed to selling Residential Units which represent a majority of the Common Interests in the aggregate.

A Declaration of Condominium, (the "Declaration") subjecting the Property to Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and By-Laws of the Condominium (the "By-Laws") will be recorded prior to conveyance of title to the first Unit by the Sponsor. The Declaration and By-Laws will be substantially similar to those set forth in this Plan and will not be changed so as to adversely affect any Purchaser without such Purchaser's consent. This Plan and the accompanying documentation should be carefully studied by prospective Purchasers and their attorneys prior to the purchase of a Unit. Each Unit Owner will be obligated to comply with the Declaration, By-Laws, rules and regulations and other requirements of the Condominium board of managers (the "Board of Managers" and the "Board" as the context requires).

The prices for the Units are set forth in Schedule A. THESE PRICES HAVE BEEN SET BY THE SPONSOR ALONE AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY. The estimated Common Charges and real estate taxes for each Residential Unit for the first year of operation of this Condominium are also set forth in Schedule A.

The Plan has been submitted to the New York State Department of Law (the "Department of Law"). The date on which the Plan is accepted for filing by the Department of Law is called the "Filing Date". After this plan is accepted for filing by the Department of Law, it may be amended from time to time when an amendment is filed with the Department of Law. Copies of any such amendments will be served on Purchasers, Unit Owners and all other persons entitled to service pursuant to law or regulations.

Basic Aspects of Condominium Ownership

Parts I and II of the Plan along with the Exhibits included in Part II submitted along with the Plan together constitute the entire Plan. Copies of the Plan, including all Exhibits, will be available for inspection by prospective Purchasers and their attorneys without charge and for copying, at a reasonable charge, at the office of the Sponsor and the Selling Agent.

As in the ownership of a private one-family home, the Purchaser of a Unit (the "Unit Owner") owns his Unit in fee simple absolute and is entitled to exclusive possession of his Unit. All Unit

Owners will own an undivided interest in, to the extent they exist, all exterior walls, roofs, and walks and all of the land and improvements located outside of the Units (the "Common Elements") with the exception of any limited common elements described in the Declaration.

The Unit basically includes the air space between the sheetrock of the Unit. For a detailed description of the Unit to be conveyed see the Description of Property included in Part II of the Plan.

The common elements (the "Common Elements") include without limitation and to the extent they exist the external walls, space between floors and roofs of the Building as well as all of the land. Notwithstanding the foregoing, for a detailed description of the Common Elements see the Declaration included in Part II of the Plan.

A Unit Owner is required to pay monthly Common Charges assessed by the Board of Managers for the operation and maintenance of the Condominium pursuant to Sections 339(i) and (m) of the Condominium Act. See the Declaration included in Part II of the Plan. For possible increases in Common Charges upon default in payment by a Unit Owner, see the Section of the Plan entitled "Rights and Obligations of Unit Owners." Common Charges are levied in proportion to the interest in the Common Elements appurtenant to each Unit. After closing, each Unit Owner is responsible for the cost of interior repairs to and decoration of his Unit. Fire and liability insurance covering the Common Elements (including the exterior of the Building and its structural components) are included with other items as part of the Common Charges. See Schedule B of this Plan.

HOWEVER, FIRE AND LIABILITY INSURANCE FOR THE PURCHASERS' PERSONAL EFFECTS AND THE INTERIOR OF THE UNIT SHOULD BE CARRIED BY THE INDIVIDUAL PURCHASER.

There is no restriction upon ownership of a Unit. The Board of Managers does not have the right to approve or disapprove purchasers, and cannot prevent the sale of a Unit to a prospective purchaser other than through the exercise of its right of first refusal (as set forth in the By-Laws). There is no limit on the number of Unit Owners who may purchase for investment rather than for personal occupancy and, therefore, there may always be a substantial percentage of Unit Owners who are non-residents. Units can be sold or leased by a Unit Owner, subject only to the right of first refusal of the Condominium (which is not applicable to the Sponsor or holders of Unsold Units), and the restrictions contained in the mortgage, if any, covering the Unit and provided that such Unit Owner is not in arrears on the payment of Common Charges (except where the payment of such unpaid Common Charges is paid by the selling Unit Owner or provided for out of the proceeds of the sale). A Purchaser cannot, however, sell or assign an interest in a Purchase Agreement except as provided in the Plan. A Purchaser is free to make a gift of his Unit to anyone during his lifetime or to devise his Unit by will, or to have it pass by intestacy without any restriction. No Unit can be sold without a simultaneous sale of the undivided percentage interest in the Common Elements.

The Units can be purchased for all cash or may be purchased partly for cash and partly by

mortgage financing (however, Purchase Agreements shall not be contingent on financing). No Unit will be subject to the lien of a mortgage encumbering any other Unit.

The Unit Owner may mortgage his Unit at any time after he acquires title to the Unit in whatever amount and under whatever terms he can obtain, provided that the mortgage is granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender. Notwithstanding the foregoing, any Unit Owner may, upon the resale of his Unit, grant a purchase money mortgage to a purchaser of his Unit. A Unit Owner may mortgage his Unit only if all arrears for Common Charges, if any, are provided for and paid at the closing of the mortgage.

Each Unit will be taxed separately for real estate tax purpose and, therefore, no Unit Owner is liable for the payment of real estate taxes on any other Unit. In the opinion of counsel, a Unit Owner is presently entitled to deductions for income tax purposes for his payments for real estate taxes and, subject to the limitations imposed by recent legislation, interest on the mortgage of his Unit. See the section of this Plan entitled "Taxes - Deductions to Unit Owners and Tax Status of Condominium" and "Counsel's Tax Opinion."

The Unsold Units (i.e., Units owned by the Sponsor or Sponsor's designee) may be used for any lawful purpose, including, without limitation, as model Units or for a sales office or an office for the leasing or renting of any or all of the Units. The Commercial Units may be used for any lawful business purpose permitted by the certificate of occupancy. Any subsequent transferee of a Unit is required to use his Unit in accordance with all applicable laws and the Declaration and By-Laws as set forth herein.

Primary responsibility for operating the Condominium rests with the Board of Managers who, subject to the terms of the Declaration of Condominium and the By-Laws, will be elected by the Unit Owners. For information concerning Sponsor's initial control of the Board of Managers, see the section of this Plan entitled "Control by the Sponsor."

Each Unit Owner, upon obtaining title to his Unit will be automatically entitled to vote at all meeting of the Unit Owners based on the proportion of Common Elements attributable to his Unit.

The Units may be only offered to individuals over the age of eighteen (18) years, corporations, partnerships, other business entities and to other entities that may legally own real property in the State of New York. Sponsor reserves the right to offer the Units in such order of priority as it may determine.

A detailed description of the property and specifications, prepared by SLCE Architects is reproduced in Part II of his Plan and should be reviewed carefully by prospective Purchasers.

A copy of the approved building plans (indicating, among the other things, the various ceiling

height measurements throughout the Units) will be maintained and available for review at the office of the Sponsor.

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

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DEFINITIONS

The following words when use in this Plan or any amendment thereto shall, unless the context otherwise requires, have the meanings set forth below:

1. "Board of Managers" and the "Board" - The governing body of the Condominium responsible for its operation.

2. "Building" - The Building and other improvements located on the Land.

3. "By-Laws" - The By-Laws which govern the Condominium, the form of which is set forth in Part II of this Plan.

4. "Commercial Common Interest" - The Common Interest attributable to a Commercial Unit.

5. "Commercial Limited Common Elements" - The Common Elements which are appurtenant to and for the exclusive use of a Commercial Unit.

6. "Commercial Units" - Collectively, the Units located on a portion of the street level and second floor of the Building designated as such in the Declaration, together with their appurtenant Common Interest. The Commercial Units are more specifically known as Commercial Unit A (on street level) and Commercial Unit B (on the second floor, including the community facilities).

7. "Common Charges" - The charges assessed by the Board from time to time to all Unit Owners for, among other things, the cost and expense of operating, maintaining and repairing the Common Elements (that is, including, but not limited to, all salaries, wages, payroll taxes and benefits, heating, services and supplies, insurance and management fees in connection therewith).

8. "Common Elements" or "General Common Elements" - The Common Elements of the Condominium will consist of all of the Condominium (except the Units) including, but without limitation, hallways, staircases, outside walls and roofs of the Building, the Land and improvements (other than the Units) comprising the Condominium (including the land under the Units and under the improvements) and all utility or other pipes and material located outside of the Units. Windows shall be part of each Residential Unit (and are not Common Elements) and each Unit Owner shall be responsible for the windows in their Unit. The term Common Elements as used herein is equivalent in meaning to the term "Common Elements" as used in Article 9-B of the Real Property Law.

9. "Common Expenses" - (a) Expenses of operation of the Property and (b) all sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

10. "Common Interest" - The undivided percentage interest of each Unit in the Common Elements, which has been determined based upon the approximate proportion the floor area of the Unit bears to the then aggregate floor area of all Units, but reflecting the substantially exclusive advantages enjoyed by one or more, but not all, Units in a part of parts of the Common Elements, in accordance with such formulae as may be permitted under Section 339(i) of the Real Property Law. The aggregate Common Interests of all of the Residential and the Commercial Units equal 100%.

11. "Community" - As used herein is equivalent in meaning to the term "Condominium" as same is used in Article 9-B of the Real Property Law.

12. "Condominium" - The 88 Washington Place Condominium which consists of the Residential and Commercial Units.

13. "Condominium Documents" - The Declaration, together with the By-Laws, the Rules and Regulations and Floor Plans, each of which will be recorded or filed simultaneously with the recording of the Declaration.

14. "Declaration" or "Declaration of Condominium" - The instrument by which the Property is submitted to the provisions of the Condominium Act, as such instrument is from time to time amended, consistent with the provision of the Condominium Act and of the By-Laws.

15. "Downpayment" - The money deposited by a Purchaser pursuant to a Purchase Agreement.

16. "Filing Date" - The date on the letter from the Department of Law's Real Estate Financing Bureau accepting this Plan for filing.

17. "First Closing" or "First Unit Closing" - The date on which title to the first Unit sold under this Plan closes.

18. "Land" or "Property" - All of that certain tract, plot, piece of and parcel of land commonly known as 88 Washington Place and previously known as 350 Sixth Avenue, situate, lying and being in the City, County, and State of New York.

19. "Limited Common Elements" - The portions of the Common Elements which are for the exclusive or shared use of one or more Units, but less than all the Units.

20. "Limited Residential Common Elements" - Those Common Elements, if any, which are appurtenant to and for the exclusive use of one Residential Unit.

21. "Party Wall" - A wall which is common to and separates two Units.

22. "Plan" or "Offering Plan" - The Offering Plan and all amendments thereto for the conversion of the premises know as 88 Washington Place, New York, New York to condominium ownership, which Plans sets forth all of the terms and condition of the offer to purchase.

23. "Plans" or "Plans and Specifications" - The floor plans to be filed in the New York County Office of the Register of City of New York.

24. "Purchaser" - Each Purchaser purchasing a Unit from Sponsor pursuant to the Plan.

25. "Purchase Agreement" - The Agreement entered into by and between a Purchaser and Sponsor for the purchase of a Unit. A copy of the Purchase Agreement is included herein in Part II.

26. "Residential Common Interest" - The Common Interest attributable to a Residential Unit.

27. "Residential Unit" - A Residential Unit is each residential apartment now or hereafter situate on the Property.

28. "Selling Agent" - The initial Selling Agent in connection with this offering is The Corcoran Group, with an address at 660 Madison Avenue, New York, New York 10021.

29. "Sponsor" - collectively, Paxton 350, LLC and Ciao-Di Restaurant Corporation, their successors and assigns.

30. "Sponsor-affiliate" - Any person or entity designated by Sponsor to acquire title to or lease of a Unit. Sponsor-affiliates shall have the right to designate a person or entity, whether related or unrelated to sponsor, to succeed to their right and any such designees shall also be deemed to be a Sponsor-Affiliate.

31. "Unit" - A Unit is equivalent to the term "Unit" as used in Article 9-B of the Real Property Law. Each Unit is measured horizontally from and including the exterior side of the exterior walls as further described in Declaration of Condominium included in Part II as Exhibit E.

32. "Unit Closing Date" - The Date scheduled for the transfer of title to a Unit from Sponsor to a Purchaser.

33. "Unit Owner" - The owner of each Unit. A Unit Owner is equivalent to the term "Unit Owner" as used in Article 9-B of the Real Property Law. Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety. Where such ownership is joint, in common or tenancy by the entirety, majority vote of such owners shall be necessary to cast the Unit Owner's vote referred to in the Declaration.

34. "Unsold Unit" - A Unit In respect which title has not passed to a Purchaser but has been retained by Sponsor or has been transferred to Sponsor's designee.

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DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Location

The Condominium shall be located and known as 88 Washington Place Condominium, New York, New York. The Property is situated between West 4th Street and Washington Place on the east side of Sixth Avenue in the West Village of Manhattan. The Condominium will consist of approximately 23,429 square feet of residential unit space and 16,346 square feet of commercial space. The Building is situated in lower Manhattan which provides a diversity of cultural, religious, educational and shopping facilities. Access to public transportation is readily available. The Property is zoned C1-4 (local commercial) and is located within an overall R-7 residential district.

The Building is located within the Greenwich Village Historic District. Accordingly, it is subject to all applicable restrictions requirements imposed by law or regulation on buildings located in historic districts and is regulated by the Landmark Preservation Commission (the "LPC"). These laws and regulations provide, among other things, that all alterations to the Building, and in particular, to the exterior facade of the Building, must first be approved by the LPC before any work may proceed.

Transportation

The neighborhood is well served by the New York City MTA Subway System. The West Fourth Street station, which has an entrance both one block north and south of the property, is a major transportation hub at which the A, B, C, D, E, F and V subway lines stop. The lines fan out to almost the entire city. Two blocks away on Christopher Street/Sheridan Square, the 1 and 9 lines stop. These trains go to the upper west side of Manhattan and to Wall Street. The Path train to New Jersey is located 4 blocks north on Sixth Avenue and 9th Street. Penn Station and Grand Central Stations are both accessible form the West Fourth Street subway station. The #5 and #6 bus route run along Sixth Avenue to 59th Street and transfers are available to various other bus routes along the route. The bus stop is only one block from the Building.

Educational Facilities and Libraries

The Building is located in Public School District 2. The elementary schools PS 3 (6 blocks away) and PS 41, also 6 blocks away, are both highly regarded and are rated in the top 20 percentile academically. The area is also served by a general middle school (Greenwich Village Middle School on Hudson Street) and by an unusually large number of local specialty high achiever schools such as Salk School of Science (an NYU tie-in school), The Clinton School for Artist and Writers and The Lab School. Nearby High Schools include, The NYC Lab School, La Guardia High School for the Arts and the highly regarded Stuyvesant High School.

Nearby parochial schools include, Our Lady of Pompeii (3 blocks away), St. Anthony's, and St. Josephs (1 block away). Nearby pre-schools include, PS 41, First Presbyterian, Grace School, Children Aid School of Greenwich Village and the Chelsea Day.

Greenwich Village is also the Home of New York University, one of the preeminent academic institutions in America and is located 2 blocks from the Building. Many other colleges and universities are located in Manhattan and the greater New York City area.

The Jefferson Market Public Library is located on Sixth Avenue and 10th Street, 5 blocks from the Building. Residents of Greenwich Village can also use the NYU Bobst Library complex.

Religious Institutions

Churches of almost every denomination are within a few blocks radius of the Building. Catholic Churches include, Our Lady of Pompeii, St. Josephs, and St. Anthony. Other Christian Churches in the area include, First Presbyterian, Grace Church, St. John's, Judson Memorial, and many others. Locally, there are two synagogues, The Village Temple on 11th Street and the Charles Street Synagogue. Additionally there are many other synagogues in and around Greenwich Village. There is also a Mosque within the NYU campus.

Hospitals

St. Vincent's Hospital, a major full service hospital with 750 beds, is located 1/4 mile from the Building at 11 Street and 7th Avenue. Beth Israel Hospital, a large medical complex, is located approximately 1 mile from the Building.

Parks and Recreation

The Building is one block from the world famous Washington Square Park. Several other small sitting parks such as Swann, Churchill, Minetta, and Demo Square are within a 3-block radius of the Building. The Hudson River Trust which maintains a waterfront promenade plus athletic facilities such as soccer and baseball fields, a kayak school and dock, and many, many other facilities is ½ mile away. Chelsea Piers located on 23rd Street and the Hudson River, about 1 ½ miles away, is a regional sports and athletic center featuring golf ranges, ice skating rinks, basketball courts, bowling alleys and Olympic style gymnasiums plus a host of other facilities.

Museums and Cultural Institutions

The building is located in the heart of New York City. Many museums, cinemas and other cultural facilities are in close proximity. SoHo, which is about ½ mile away, is home to hundreds of art and design galleries. All the major New York City museums are within a 5-mile radius of the Building as is Lincoln Center and Carnegie Hall.

Police and Fire

The Sixth Police Precinct is located on 10th Street and Bleecker Street, about 1/4 mile away. The Fire Station is located on Houston Street also less than 1/4 mile away.

Improvements - General Description

The Building will be six (6) stories. The sixth story will be the penthouse (the "Penthouse") level. The present use is for commercial purposes. When the Sponsor completes its construction, there will be fourteen (14) Residential Units on the third through sixth floors and two (2) Commercial Units located on a portion of the street level and second floor of the Building. The lower level, below street grade will also contain 14 Storage units for purchase by Unit Owners, as well as an exercise room and playroom for the Condominium's use (which will be a part of the Condominium's Common Elements), mechanical space and the Building's heating apparatus, all as currently set forth in the Floor Plans included in Part II of the Plan. For a detailed description of the Building and the Floor Plans of this Plan.

Description of the Common Elements

Generally, the Common Elements consist of all Common Elements other than any Residential Common Elements, Limited Residential Common Elements, Commercial Common Elements and Limited Commercial Common Elements (if any) and include, among other things the following: (i) the Land; (ii) all foundations, footings, columns, girders, concrete floor slabs and ceilings (except to the extent included as Residential Common Elements or Limited Residential Common Elements, Commercial Common Elements or part of any Unit), beams, supports and any load bearing walls, together with those portions of the exterior walls of the Building beyond the Unit side face of the gypsum board and the Unit side face of the glass or concealed block work or concealed concrete structural members of those walls; (iii) corridors and all fire staircases, landing and stairs which are not Residential Common Elements, Limited Residential Common Elements, Commercial Common Elements or part of any Unit; (v) general illumination fixtures and security systems; (vi) cooling tower on the roof of the Building serving the common areas and the enclosure which covers the cooling tower; (vii) all passages, hallways, stairs, corridors, mechanical and other rooms, areas and spaces located in the Building serving both the Residential Units and the Commercial Units, which are not Residential Common Elements, Limited Residential Common Element or Limited Residential Common Elements or part of any Unit; (viii) and the roof over the floor of the Building (except to the extent that a portion of the roof is comprised of a Residential Common Element or Limited Residential Common Element); (ix) all other parts of the Building and the apparatus, installations, systems, equipment and facilities in the Building (including pipes, shafts, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance of safety of both the Commercial Units and the Residential Units and which are not owned by another entity such as a supplier, servicer or installer of the systems.

For a detailed description of the Common Elements see the Declaration included in Part II of this Plan.

Description of the Residential Common Elements

Generally, the Residential Common Elements include, among other things, the following; (i) the passenger elevator (including the elevator shaft, pit, machinery and appurtenant facilities); (ii) the residential lobby and entrance on the street level of the Building; (iii) passages, hallways, stairs and corridors to the extent any of same are for the exclusive use of the Residential Unit Owners; (iv) the trash compactor room and the refuse chute; (v) electric panels, closets, feeders and risers serving the Residential Units exclusively; (vi) all mechanical space and other rooms, areas and spaces located in the Building serving exclusively the Residential Units, the Residential Common Elements and the Limited Residential Common Elements and which are not Common Elements, Commercial Common Elements or a part of any Unit; and (vii) all other apparatus, installations, systems, equipment and facilities in the Building (including pipes, shafts, wire, ducts, vents, cables, conduits and lines) which serve or benefit exclusively the Residential Units and which are not owned by another entity such as a supplier, servicer or installer of the systems.

For a detailed description of the Residential Common Elements see the Declaration included in Part II of this Plan.

Description of Limited Residential Common Elements

The Limited Residential Common Elements are those portion of the Property which are of the exclusive use of one or more Unit Owners.

The terraces appurtenant to Units located on the Penthouse level and Unit 3A shall be Limited Residential Common Elements for the exclusive use of the owners of the Units to which the terraces are appurtenant and shall be repaired or replaced (including without limitation the surfaces of the terraces and roofing within the Limited Residential Common Elements) by the individual Unit Owner entitled to its use. Any alterations or additions that a Unit Owner may wish to make on terraces, including but not limited to, terrace paving, plumbing work, electrical work or the installation of any structures, shall require a permit from the New York City Department of Buildings and may require the approval of the New York City Landmark Preservation Commission. In addition, any alteration work must be performed in accordance with the provisions of the By-Laws.

For a detailed description of the Limited Residential Common Elements see the Declaration and Description of Property included in Part II of this Plan.

Decoration and normal maintenance of the Limited Residential Common Elements will be the responsibility of the owners of the Units to which the particular Limited Residential Common Element is appurtenant.

The Board of Managers of the Condominium will operate, manage and control the Common Elements, the Residential Common Elements, the Limited Residential Common Elements, the Commercial Common Elements and the Limited Commercial Common Elements (if any). The Declaration provides the framework and procedures by which the Board of Managers and/or the Unit Owners will maintain and administer these facilities.

The Declaration gives each Unit Owner a non-exclusive easement to the reasonable use of the Common Elements and the Residential Common Elements (but not the Limited Residential Common Elements). Each Unit Owner is also granted easements for ingress and egress over the Common Elements, as well as easements to connect with and make use of certain utility and drainage lines. The Declaration also makes provision for various easements including those in favor of the Sponsor necessary for the sale of all Units in the Condominium, the maintenance of the Common Elements, the Residential Common Elements and the Limited Residential Common Elements and the further sale or leasing of Units and other improvements which may be erected on any other property in the vicinity of the Property which may be developed by Sponsor or an affiliate of the Sponsor. The Declaration also obligates the Board of Managers to maintain and repair the Common Elements, including snow removal from the front of the Building.

Easements

Each Unit Owner will have an easement in common with all other Unit Owners for the use maintenance and repair of all pipes, wires, conduits and public and private utility lines located in the Common Elements, Residential Common Elements or the Limited Residential Common Elements or located in other Units and servicing his Unit. Further, each Unit Owner will have an easement for the continuance of any encroachment by his Unit or on any adjoining Unit or Common Elements, Residential Common Elements or any Limited Residential Common Elements now existing or which may come into existence hereafter as a result of the settling of the Units or repair or alteration of Units by the Board of Managers, after damage or fire or other casualty or as a result of condemnation or eminent domain proceedings or by reason of any alteration made by the Board of Managers to the Common Elements so that any such encroachment may remain undisturbed so long as the Unit stands. Each Unit will be subject to such encroachments and easements in favor of all other Units. The Board of Managers, its agents or employees shall have right of access to Units, to the Common Elements (irrespective of the restrictive nature of such Common Elements) and to the Limited Residential Common Elements to inspect, maintain or repair the Common Elements or to make repairs to the Units to prevent damage to the Common Elements or any other Unit.

The Description of Property in Part II of this Plan contains a general description of each Unit and Floor Plan of each Unit.

Water and Sewage

Water and sewer service will be supplied by the City of New York and will be a Common Expense of the Condominium.

Refuse Removal

It will be the responsibility of each of the Residential Unit Owners to sort and deposit his/her trash in the appropriate refuse chute located on each floor. In addition, it will be the responsibility of the Residential Unit Owners to properly sort recyclable refuse from their non-recyclable material. The Superintendent will bundle the refuse and place it on the street for removal, which will be provided by New York City Sanitation Department.

Snow Removal

Snow removal from the Common Elements of the Condominium (namely the front of the Building) will be the responsibility of the Condominium and will be a Common Expense to the Unit Owners.

Zoning

The property is presently zoned C1-4 (local commercial) and is located within an overall R-7 residential district).

Local Services

Police and fire services will be provided by the City of New York.

SCHEOULE A

88 WASHINGTON PLACE CONOOMINIUM

Schedule of Purchase Prices and Other Related Information

Projected First Year of Operation (01/01/06 - 12/31/06)

	1		1	1	2	3	4	5	5	5	5	5
Unit #	BR	Bath	Approx Int. Sq. Ft.	Approx Ext. Sq. Ft.	Offering Price	% Common Interest	% of Residential Common Interest	Estimated Monthly Common Charges	Estimated Monthly Real Estate Taxes Year One	Estimated Monthly Real Estate Taxes Year Two	Estimated Total Monthly Charges Year One	Estimated Total Monthly Charges Year Two
3A	2	2	1,645	1,099	$1,925,000	4.11%	8.17%	$959.19	$423.29	$893.17	$1,382.48	$1,852.37
3B	2	2	1,339		$1,495,000	3.35%	5.39%	$632.81	$328.74	$693.66	$961.55	$1,326.47
3C	3	3	1,800		$2,250,000	4.50%	7.24%	$850.01	$494.76	$1,043.97	$1,344.76	$1,893.97
3O	2	2	1,577		$1,645,000	3.94%	6.35%	$745.52	$361.72	$763.26	$1,107.24	$1,508.77
4A	2	2	1,645		$1,675,000	4.11%	6.62%	$777.22	$368.32	$777.18	$1,145.54	$1,554.39
4B	2	2	1,339		$1,545,000	3.35%	5.39%	$632.81	$339.73	$716.86	$972.54	$1,349.67
4C	3	3	1,800		$2,325,000	4.50%	7.24%	$850.01	$511.25	$1,078.77	$1,361.26	$1,928.77
4O	2	2	1,577		$1,695,000	3.94%	6.35%	$745.52	$372.72	$786.46	$1,118.23	$1,531.97
5A	2	2	1,645		$1,725,000	4.11%	6.62%	$777.22	$379.31	$800.38	$1,156.53	$1,577.59
5B	2	2	1,339		$1,595,000	3.35%	5.39%	$632.81	$350.73	$740.06	$983.54	$1,372.87
5C	3	3	1,800		$2,395,000	4.50%	7.24%	$850.01	$526.64	$1,111.25	$1,376.65	$1,961.25
5O	2	2	1,577		$1,775,000	3.94%	6.35%	$745.52	$390.31	$823.58	$1,135.83	$1,569.09
PHA	2	2.5	1,817	1,564	$2,750,000	4.54%	9.51%	$1,118.88	$604.70	$1,275.96	$1,721.56	$2,392.82
PHB	3	3.5	2,376	804	$3,500,000	5.94%	10.69%	$1,257.05	$769.62	$1,623.95	$2,026.67	$2,881.00
S1			26		$20,000	0.07%	0.10%	$11.74	$25.39	$46.73	$37.13	$58.47
S2			26		$20,000	0.07%	0.10%	$11.74	$25.39	$46.73	$37.13	$58.47
S3			26		$20,000	0.07%	0.10%	$11.74	$25.39	$46.73	$37.13	$58.47
S4			26		$20,000	0.07%	0.10%	$11.74	$25.39	$46.73	$37.13	$58.47
S5			25		$20,000	0.06%	0.10%	$11.74	$25.39	$46.73	$37.13	$58.47
S6			25		$20,000	0.11%	0.10%	$11.74	$25.39	$46.73	$37.13	$58.47
S7			25		$20,000	0.06%	0.10%	$11.74	$25.39	$46.73	$37.13	$58.47
S8			25		$20,000	0.06%	0.10%	$11.74	$25.39	$46.73	$37.13	$58.47
S9			25		$20,000	0.06%	0.10%	$11.74	$25.39	$46.73	$37.13	$58.47
S10			25		$20,000	0.06%	0.10%	$11.74	$25.39	$46.73	$37.13	$58.47
S11			25		$20,000	0.06%	0.10%	$11.74	$25.39	$46.73	$37.13	$58.47
S12			25		$20,000	0.06%	0.10%	$11.74	$25.39	$46.73	$37.13	$58.47
S13			33		$21,000	0.08%	0.13%	$15.26	$28.66	$49.07	$41.92	$64.33
S14			26		$20,000	0.07%	0.10%	$11.74	$25.39	$48.73	$37.13	$58.47
Total Residential:			23,639	3,467	$28,576,000	59.10%	100.00%	$11,740.41	$8,578.58	$13,785.04	$18,318.99	$25,525.45
1FLR			7,856		Not Offered	19.65%	n/a	$1,349.00	$7,634.61	$14,051.83	$8,983.61	$15,400.83
2FLR			8,490		Not Offered	21.25%	n/a	$1,461.42	$2,762.19	$5,120.74	$4,243.61	$6,582.16
Total Commerical:			16,346			40.90%		$2,810.42				
Totel:			39,985	3,467	$28,576,000	100.00%	100.00%	$14,550.83	$18,995.37	$32,957.61	$31,546.21	$49,952.98

SCHEDULE A

88 WASHINGTON PLACE
OFFERING PRICES AND RELATED FINANCIAL INFORMATION
FOR PERIOD JANUARY 1, 2006 THROUGH DECEMBER 31, 2006

Footnotes to Schedule A

(1) Any floor plan or sketch shown to a prospective purchaser is only an approximation of the dimensions and layout of a typical Unit. The actual layout of a Unit may have been altered. Each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. The square footage indicated on Schedule A was based on plans drawn by SLCE Architects, and figures furnished by that office.

The dimensions of the Residential Units depicted in the typical layouts of the Residential Units are approximate and reflect the area measured horizontally from the exterior face of the glass and/or the line of the outside face of the exterior walls to the outside walls of partitions at the public hall, stairways and elevators. The dimensions are not measured from the interior surfaces of interior walls and therefore the floor area of a Unit will be less than the areas shown in Schedule A.

(2) Sponsor has reserved the right to change the purchase price and other sale terms from time to time for any Unit not subject to a Purchase Agreement. The Plan will be amended to reflect any Unit price increases or across the board public reduction (as distinguished from an isolated price reduction) or a different price to be advertised in a newspaper or other media.

The purchase prices and sale terms may be negotiated by Sponsor. Therefore, Sponsor may enter into a Purchase Agreement to sell one or more Units at prices higher (upon amendment of the Plan) or lower (without the need for amending the Plan) than those in Schedule A (See "Changes in Prices or Units" for further discussion). Prospective purchasers are advised that in addition to the purchase price, they will be responsible for certain closing adjustments and closing costs. (See "Closing Costs and Adjustments" for further discussion).

All Purchasers, except for the Sponsor, shall pay at closing an amount equal to the sum of two (2) months Common Charges to the Condominium as a contribution to the initial Working Capital Fund (as hereinafter defined). While Sponsor is in control of the Board of Managers, the Working Capital Fund will not be used to reduce the Common Charges. If any portion of the Working Capital Fund is used during the period of Sponsor control to pay for any of the budget items set forth in

Schedule B, such amounts will be repaid to such fund out of Common Charges collected at each Closing.

(3) Pursuant to Section 339-i (1) (iv) of the Condominium Act, the percentage interest of each Unit in the Common Elements is based upon the floor space of the Units, subject to the location of such space and additional factors of relative value to the other Units, the uniqueness of the Unit, the availability of the Common Elements of exclusive or shared use and the overall dimensions of the Unit. The percentage of Common Interests for each square foot of terrace space has been calculated at two-thirds of that attributable to indoor above ground space and added to the Common Interests allocated to the interior floor area of the appurtenant Residential Unit. The aggregate Common Interests of all Units equal 100%.

(4) These estimates were based upon "Schedule B - Projected Budget for First Year of Condominium Operation of 88 Washington Place Condominium," on the assumption that the first year of condominium operation will be from January 1, 2006 to December 31, 2006. The actual first year of operation may be earlier or later.

In addition to these estimated Common Charges, each Unit Owner will incur additional expenses for (i) mortgage payments under a loan or loans (if any) obtained to finance the purchase of his Unit; (ii) the cost of electricity supplied to his Unit, which will be separately metered and will be payable directly to Con Edison as and when billed; (iii) the cost of interior repairs to, and the maintenance, painting and decoration of, his Unit and any appurtenant Limited Residential Common Elements (including, without limitation, the equipment and appliances contained therein); (iv) the cost of any insurance that he may desire to place to cover (a) furniture, improvements, equipment and other personal property and (b) liability to others for personal injury or property damage as a result of occurrences in his Unit, including without limitation, damage from water leaks or other conditions in his Unit; (v) cable televison charges; and (vi) real estate taxes (see Footnote 5 below) after the Units are separately assessed. Real estate taxes will be included on a pro- rata basis as part of the Common Charges until the Units are separately assessed.

(5) Any real estate taxes paid by Sponsor are one of the items to be adjusted between Sponsor and each purchaser at the closing of each Unit. Until the Units are separately assessed, real estate taxes will be included in the Common Charges and paid by the Condominium Board as Common Expenses. The Condominium Board and Sponsor will not apportion real estate taxes at the First Closing. Instead, real estate taxes will be apportioned between Sponsor and each purchaser as each Unit closes. (See "Closing Adjustments and Closing Costs" for further details.)

There is no assurance that the New York City taxing authority will allocate taxes among Units in proportion to their Common Interests. If they are not allocated, Residential Unit Owners having the same Common Interests may pay different

amounts of real estate taxes. In addition, no warranty is made as to the assessed valuation of the Property or the tax rate that will be in effect at any time or the amount of real estate taxes (including any minium tax) which will be due.

In the opinion of Friedberg Greener Cohen, LLP, counsel to Sponsor, under existing tax laws any real estate taxes actually paid by a purchaser with respect to a Unit used as his primary or secondary residence will, in general, be deductible from the purchaser's income for the purpose of Federal , New York State and New York City income taxes (provided such purchaser itemizes his deductions). However, the amount of real estate taxes may vary from year to year due to changes in the amount of real estate taxes (which may result from changes in the assessed valuation of the Residential Unit, the tax rate or the method of assessing real property). (See "Counsel's Tax Opinion" in Part II of the Plan for further discussion.)

Lippman Krasnow & Kelton LLP ("LKK") has assisted in the preparation of Schedule A by estimating the real estate taxes which will be due from the Unit Owners.

RPTL section 467-a provides a partial tax abatement to owners of residential units held in a cooperative or condominium form of ownership. Eligible dwelling units with an average assessed valuation of greater than $15,000 (eligible dwelling units in a property whose average unit assessed value is less than or equal to $15,000 shall receive a partial abatement of real property taxes of 25% of the net property taxes. It is projected that the average post-construction assessed valuation per unit at the subject premises will exceed $15,000 per unit), after deduction of any abatement received pursuant to RPTL 489 ("J-51" benefits), are entitled to a 17.5% abatement of the net property taxes due. In order to qualify for these benefits under the current law, the following requirements must be met: (1) eligible units must be used primarily for residential purposes and may not be owned by sponsor or any unit owner who owns three or more units; and (2) the Board of Managers must file a complete application for the entire premises in a timely manner. **The foregoing is only for informational purposes since this statute contains a "sunset provision" which presently provides benefits through June 30, 2008. On such date, the statute and benefits expire, unless otherwise extended.** No representation is made that the statute will be extended or if it is extended, the benefits will remain the same. Prospective purchasers of Residential Units should not rely on the continuation of the benefits.

RPTL section 425 (school tax relief (STAR) exemption) provides a partial exemption from the school tax portion of a property's assessed valuation. This exemption presently amounts to $1,710 for an eligible condominium unit located within the City of New York, assuming the unit owner is less than 65 years of age. An enhanced benefit, presently amounting to $2,850, is available to senior citizens who have a combined household income (adjusted gross income as reported on applicant's latest

available federal or state income tax return) which does not exceed $60,000. The benefit is only available to units which serve as the primary residence of one or more of the owners thereof. A qualified unit owner must file an application on or before the applicable tax status date (i.e., the January 5th preceding the fiscal tax year beginning July 1st). Only those qualified purchasers who close title and timely file said application by no later than January 5, 2005 will be eligible for this benefit for the tax year beginning July 1, 2005. Those purchasers who qualify for this benefit who apply after January 5, 2005 and on or before January 5, 2006 will be eligible to receive this benefit for the July 1, 2006 to June 30, 2007 tax year.

SCHEDULE B

PROJECTED BUDGET

88 Washington Place Condominium
NEW YORK, NEW YORK

ESTIMATED SCHEDULE OF RECEIPTS AND EXPENSES FOR FIRST FULL YEAR OF OPERATION

Common Charges – Residential	$ 140,885
Common Charges – Commercial	$ 33,725

(BEGINNING January 1, 2006)

WAGES & BENEFITS	(Note 3)	$	24,344	
GAS	(Note 4)	$	22,986	*
ELECTRICITY	(Note 5)	$	46,205	*
WATER & SEWER	(Note 6)	$	11,283	*
SERVICE CONTRACTS	(Note 7)	$	12,500	
REPAIRS, MAINTENANCE & SUPPLIES	(Note 8)	$	5,000	
INSURANCE	(Note 9)	$	22,092	**
MANAGEMENT FEE	(Note 10)	$	15,000	
LEGAL & ACCOUNTING	(Note 11)	$	8,500	
ADMINISTRATIVE	(Note 12)	$	1,200	
CONTINGENCY	(Note 13)	$	5,500	
TOTAL OPERATING EXPENSES		$	174,610	

** Utilities increased by 5% to represent reasonably anticipated increases.*

*** Estimated cost at this time. Insurance increased by 5% to represent reasonably anticipated increases.*

TOTAL EXPENSE ALLOCATION SCHEDULE
FOR RESIDENTIAL AND COMMERCIAL

88 Washington Place Condominium
NEW YORK, NEW YORK
Residential Square Footage 23,639 (59.1%)
Commercial Square Footage 16,346 (40.9%)

ECEIPTS		Receipts		
COMMON CHARGES - RESIDENTIAL		$ 140,885		
COMMON CHARGES - COMMERCIAL		$ 33,725		
TOTAL RECEIPTS		$ 174,610		

XPENSES		Total		Residential	Commercial
WAGES & BENEFITS	(SFD)	$ 24,344	*	$ 14,387	$ 9,95
GAS	(note A)	$ 22,986		$ 22,986	$ -
ELECTRICITY	(note B)	$ 46,205		$ 46,205	$ -
WATER & SEWER	(note C)	$ 11,283		$ 11,283	$ -
SERVICE CONTRACTS	(note D)	$ 12,500		$ 11,167	$ 1,33
REPAIRS, MAINTENANCE & SUPPLIES	(note E)	$ 5,000		$ 3,975	$ 1,02
INSURANCE	(SFD)	$ 22,092		$ 13,034	$ 9,05
MANAGEMENT FEE	(SFD)	$ 15,000	*	$ 8,865	$ 6,13
LEGAL & ACCOUNTING	(SFD)	$ 8,500	*	$ 5,024	$ 3,47
ADMINISTRATIVE	(SFD)	$ 1,200	*	$ 709	$ 49
CONTINGENCY	(SFD)	$ 5,500	*	$ 3,250	$ 2,25
OTAL OPERATING EXPENSES		$ 174,610		$ 140,885	$ 33,72

* Calculated as per the ratio of the Square Foot Distribution (SPF) 59.1% residential, 40.9% commercial

The below are general information notes . For details see SCH B footnotes 3-13

- Note A. Gas numbers are the for cooking and heating expenses for residential units only. Commercial units are separately metered
- Note B. Electric charges are for residential common areas only. Commercial units are metered separately.
- Note C. Water and sewer expenses are for residential units only. Commercial units are sub-metered separately.
- Note D. These contracts include fire alarm and sprinkler contracts, a portion of which is allocated to the commercial units.
- Note E. The bulk of the supplies and maintenance cost are attributed to the residential units as the commercial spaces will have their own maintenance staff and supplies. The allocation reflects common maintenance issues that may arise within the building.

FOOTNOTES FOR SCHEDULE B

(1) Common Charges – Residential $ 140885

(2) Common Charges – Commercial $ 33,725

	Total	Residential	Commercial
(3) Wages & Benefits	$24,344/	14387	9957

The figure shown includes wages, workers' compensation and disability insurance, payroll taxes and payroll processing. This amount includes pay for sick, personal or vacation time. The building staff shall consist of one (1) part-time superintendent, working 30 hours per week at $13.00 per hour, earning $20,280 per year. The salary for the superintendent is for a non-union worker.

Wage and Payroll Tax Details:

Superintendent	**$20,280**
FICA	$1,551
FUTA	$56
SUI	$349
Disability	$120
Worker's Compensation	$1,106
SUBTOTAL	***$23,462***
Vacation / Sick / Personal Days	$882
TOTAL WITH VACATION/SICK/PERSONAL	***$24,344***

	Total	Residential	Commercial
(4) Gas for Space Heating/Cooking/Hot Water	$22,986*/	$22,986	***Separately Metered***

Natural Gas service is supplied by Con Edison Company of New York. Gas service will be metered for building heating, building hot water and residential cooking, and separately metered for each commercial cooking tenant on the first and the cellar level. There will be one gas meter for the Residential and Common Space Heating, one gas meter for the Residential Hot Water and Cooking, and two gas meters to serve the Commercial units. All directly metered Commercial units will pay Con Edison directly according to their own use. Gas charges will be paid collectively to the condominium as a part of the common charges.

Estimates include costs for common heating areas, common charges for corridors, elevator, lobby and public areas.

Building Heating estimates are based on the following assumptions:

- Building Heating loss calculations are = 1,200 MBH
- Total cooling season is 800 FLH (full load hours of operation)
- Assume 400 SF/ton or 12,000 BTUH cooling
- Annual heating charges are calculated as per ASHRAE degree days method:

$$E = \frac{H \times D \times 24 \times (CD)}{T \times K \times V}$$

E – fuel or energy consumption for estimated period
H – calculated heat loss for the building = 1,800 MBH
D – number of degree days = 4,871
T – temperature difference = 72 deg. F.

V – heating value of natural gas = 100,000 BTU/CF
CD – correction factor 0.60 for (4,871 degree days)
K – 0.65 correction factor

$$E = \frac{1{,}200{,}000 \times 4{,}871 \times 24 \times 0.60}{72 \times 0.65 \times 100{,}000} = 26{,}978 \text{ therms/year}$$

Annual cost @ $0.85/therm (average price for natural gas)
TOTAL ANNUAL GAS COST FOR HEATING: 17,985 x $0.85 = $15,287/yr.

$$\text{Annual Cost Per Sq. Ft.} = \frac{\$15{,}287/\text{yr}}{56{,}136 \text{ SF}} = \$0.27 \text{ SF/yr}$$

- Heating Estimated Annual Cost Per Apartment

Apt.	Sq. Ft./Unit	Annual Cost Per Sq. Ft./Yr.	Annual Cost/Unit
A 2 BR	1669	$0.27	$ 450.63
B 2 BR	1330	$0.27	$ 359.10
C 3 BR	1789	$0.27	$ 483.03
D 2 BR	1575	$0.27	$ 425.25

Gas for Apartment Cooking
- Apartments are provided with a range.
- Based on a .5 hour usage/day
- 166.075 cu.ft./yr. or 1,660.75 therms /yr.
- Annual Gas for Cooking Cost Per Apartment = $112.10*/ year/apt.
- ANNUAL GAS COST FOR COOKING = $1,569.40*/YEAR

Domestic Hot Water – Estimated cost for domestic hot water based on gas fuel
- Total of 14 units, 56 people
- Gallons per day/person = 50
- Total of 6,810.60 therms/year
- Annual Gas for Domestic Hot Water Cost Per Apartment = $437.82*/yr./apt.
- ANNUAL GAS COST FOR DOMESTIC HOT WATER = $6,129.54*/YR.

* includes 5% escalation

Estimates may vary from actual usage due to variables involved, such as user's habits, etc. The cost may also be different due to rate changes. Estimate increased by 5% to represent reasonably anticipated increases.

The estimated cost for gas consumption was provided by the engineer, T/S Associates Mechanical Consultants having an office at 2 West 32nd Street, New York, NY

	Total	Residential	Commercial
(5) Electricity	$46,205/	$46,205	*Separately Metered*

Electrical service will be provided by Con Edison Company of New York. The building will provide separate electric meters for each dwelling unit and one (1) meter for the common areas. Estimated costs for common areas includes all lighting, power requirements and base building electrical miscellaneous energy consumption. Any modifications to equipment or base building systems will cause the costs to vary.

Heating Equipment:

1. The heating, ventilating and air conditioning for this project is provided by PTAC incremental units with hydronic heating coil.
2. The electric bill during the heating season represents the electric energy required for the motor of the fan of the incremental unit.
3. The electric bill during the cooling season represents the electric energy required for the fan motor and for the compressor of the PTAC unit.
4. The heating of the building is provided by hot water gas-fired boilers which generate hot water distributed to the hydronic coils of the PTAC incremental units.

Estimates include costs for common heating areas, common charges for corridors, elevator, lobby and public areas. Electricity for the Community Center and Commercial tenants shall be separately metered and pay directly to the utility company according to their own use.

Common Charges:

1. Elevators – 3 @ 30 HP each	=	90.0 KW
2. House pumps – 2 @ 5 HP	=	10.0 KW
3. Ejector pump – 2 @ 2 HP each	=	4.0 KW
4. Sump pump – 2 @ 2 HP	=	4.0 KW
5. Roof exhaust fans – 3 HP	=	3.0 KW
6. Heating equipment	=	10.0 KW
7. Health Club AC unit	=	7.0 KW
8. Lighting	=	10.0 KW
9. Condenser water pumps @ 75 HP	=	75.0 KW
10. Corridor AC unit	=	12.0 KW
11. Lobby AC unit	=	10.0 KW
12. Misc. exhaust fans @ 3 HP	=	3.0 KW
13. Misc. equipment	=	7.0 KW
TOTAL OPERATING LOADS		175.0 KW

Estimated Demand

175.0 KW @ 50% DF	=	87.5 KW

1. Elevators = 5,000 hrs/yr x 90KW x .20 DF	=	90,000 KW Hrs
2. House pumps = 5,000 hrs/yr x 10KW x .25DF	=	12,500 KW Hrs
3. Ejector pumps = 5,000 hrs/yr x 4KW x .30DF	=	6,000 KW Hrs
4. Sump pump = 5,000 hrs/yr x 4KW x .30DF	=	6,000 KW Hrs
5. Roof exhaust fans = 8,760 hrs/yr x 3KW x .75DF	=	19,760 KW Hrs
6. Heating equipment = 2,250 hrs/yr x 10KW x .40DF	=	9,000 KW Hrs
7. Health Club AC unit = 3,000 hrs/yr x 7KW x .50DF	=	10,500 KW Hrs
8. Lighting = 8,760 hrs/yr x 10KW x .5DF	=	43,800 KW Hrs
9. Lobby AC = 3,000 hrs/yr x 10KW x .50DF	=	15,000 KW Hrs
10. Corridor AC unit = 3,000 hrs/yr x 12KW x .50DF	=	18,000 KW Hrs
11. Misc. exhaust fans = 5,000 hrs/yr x 3KW x .80DF	=	12,000 KW Hrs
12. Misc. equipment = 5,000 hrs/yr x 7KW x .50DF	=	17,500 KW Hrs
TOTAL		260,060 KW Hrs/Yr.

Energy Charge:
260,060 KW Hrs. @ 7.5 cents/KW Hr. = $19,505
Plus an escalation of 5% = $20,480/yr.

Demand Charge:
87.5 KW @ ($24.50/mth) x 12 months = $25,725

Total Electricity Common Charges

KW Hr Charge	$20,480
Demand Charge	$25,725
TOTAL COMMON CHARGES PER YEAR	$46,205

The Estimates may vary from actual usage due to variables involved, such as user's habits, etc. Energy costs do not include any city or state taxes. The cost may also be different due to rate changes. Estimate increased by an additional 5% to represent reasonably anticipated increases.

The estimated Electric Service Charges for individual Residential Units are contained in Schedule B-1 following this Schedule.

The estimated cost for electricity was provided by the engineer, T/S Associates Mechanical Consultants having an office at 2 West 32nd Street, New York, NY

	Total	Residential	Commercial
(6) Water & Sewer	$11,283* /	$11,283	*Sub- Metered*

Water and Sewer Service: The combined fire and domestic water supply service is supplied by the New York City Department of Water Supply. Water for the Community Center and Commercial tenants will be separately submetered.

- Use of Water per day/person/apartment = 100 gallons
- Annual water use = 2,725.33 gallons/100 cu. ft.
- Cost Estimates are based on the combined water and sewer rate of $4.14/gallons/100 cu.ft.
- Total Annual Cost of Water and Sewer Usage = $11,282.86 (or $805.91*/yr. per apartment)

** includes 5% escalation*

Estimates may vary from actual usage due to variables involved, such as user's habits, etc. The cost may also be different due to rate changes. Energy costs do not include any city or state taxes. Estimate increased by 5% to represent reasonably anticipated increases.

The estimated cost for water and sewer was provided by the engineer, T/S Associates Mechanical Consultants having an office at 2 West 32nd Street, New York, NY

	Total	Residential	Commercial
(7) Service Contracts	$12,500 /	$11,167	$1,333

- No service contracts currently exist between the Condominium and any service provider.
- This figure is intended to cover annual service contracts for repair and maintenance of the following systems in the Condominium:
  - Exterminating $1,500
  - Cyber Doorman $8,500
  - Fire Alarm Monitoring $1,500
  - Sprinkler Inspections $1,000
- Estimate on the service contract above were provided by the following sources:
  - Exterminating estimate provided by Assured Environments, 360 Lexington Avenue, New York, NY 10017.
  - Estimate for Cyber Doorman maintenance and monitoring for 24 hour package service only provided by BEST Monitoring Ltd., 851 Barretto Street, Bronx, NY 10474.
  - Fire Alarm monitoring estimate provided by AFA Protective Systems Inc., 155 Michael Drive, Syosset, NY 11791
  - Sprinkler inspection service estimate provided by Buckmiller Automatic Sprinkler Corp., 389 Broome Street, New York, NY 10013.

- During the first year of operation, major repairs and maintenance service to the HVAC, boiler, elevator, compactor and other new mechanical systems are not expected to be necessary, as the Condominium is newly constructed.

	Total	Residential	Commercial
(8) Repairs, Maintenance & Supplies	$5,000/	$3,975	$1,025

- Includes normal repairs, maintenance and supplies with respect to Common Areas of the Building including common terrace ,lighting, public walkways and stairways, maintenance and painting of entrances, roof and building structure, and all building supplies. No amount is included for items covered by construction warranties or for the cost of any major capital expenditure in the Building. The budgeted number does not include repairs, painting, maintenance or supplies (including appliances) for individual Units, which are the responsibility of the individual Residential Unit owner.
- During the first year of operation, major repairs are not expected to be necessary, as the Condominium is newly constructed. Repair cost will substantially increase as the building ages.

	Total	Residential	Commercial
(9) Insurance*	$22,092/	$13,034	$9,058

The budget number is projected on the basis of a preliminary quotation of insurance costs provided by Fillmore Agency Inc., 3128 Avenue U., Brooklyn, NY. 11229.

Coverages:

Building	$	9,900,000
Replacement Cost/Agreed Amount		Included
Co-Insurance		Waived
Deductible	$	5,000

Building limit based on 6 story fire resistive, sprinklered building with 14 residential condo units, 1 retail store on grade and 1 professional office/community facility on the second floor.

Business Income/Extra Expense	Actual Loss Sustained	
Demolition & Increased Cost of Renovations	$	1,000,000
LIABILITY:		
General Aggregate	$	2,000,000
Each Occurrence	$	1,000,000
Personal & Advertising Injury	$	1,000,000
Hired & Non-Owned Autos	$	1,000,000
Medical Payments	$	5,000
Fire Damage Legal Liability	$	50,000
Directors and Officers	$	1,000,000
Deductible	$	2,500
Employee Dishonesty (Fidelity)	$	150,000
Deductible	$	1,000
Umbrella	$	55,000,000
Boiler and Machinery	Building Limit	
Deductible	$	5,000
Business Income	Included	
NY State Diability	Min. Premium $120	
Workers Compensation	Quote based on $23,000 payroll =$1,382	
THE ANNUAL ESTIMATED PREMIUM:	$	21,040 Plus Workers Comp And Disability

The above quotations are based on the *Letter Of Adequacy* for 88 Washington Place, New York and are based upon premiums charged in November 2004. The insurance market is extremely volatile and rates can change substantially. The above preliminary quote can be higher or lower depending on market conditions at the time of the first closing. The above is for Illustration Purposes Only. There is NO COVERAGE BOUND AT THIS TIME. Coverages are subject to the terms and Conditions as set forth by the Insurance Company.

The above quote also assumes that the building will be 100% structurally completed and that the majority of the property will be occupied by permanent residents.

By carrying $9,900,000, this would be at a replacement cost of $175 per square foot; the hazard insurance company will include a provision known as an "Agreed Amount & Replacement Cost" endorsement, whereby the carrier agrees to reimburse the insured for property losses up to the full amount of the policy regardless of the actual replacement value of the Building. This clause has the effect of "waiving" any co-insurance penalty that the insurer might otherwise invoke. This clause does not meant that the Condo Association would receive sufficient proceeds to actually rebuild the entire building in the event of a substantial loss or

total destruction of the Building. The Condo Association should periodically review the amount of insurance for the building to insure that the amount of coverage carried is sufficient.

The above insurance will meet the requirements of any mortgage lender procured by Sponsor including Sponsor's construction lender. The fire, casualty and general liability insurance will be on terms that provided that each Unit Owners is an Additional Insured; that there will be no cancellation without notice to the Board of Managers; a waiver of subrogation; a waiver of invalidity because of the acts of the insured and Unit Owners; And a waiver of pro-rate reduction if Unit Owners obtain additional coverage.

Each individual Unit Owner should consider the desirability of obtaining additional insurance at his own cost for the following coverage, which is not included in the Letter of Adequacy: (1) Fire or casualty losses to the contents of his Unit including replacements, additions, upgraded fixtures and improvements therein; and (2) Liability for personal injury or property damage as a result of occurrences in Unit, including water damage legal liability to cover damage arising from leaks or other conditions within the unit. Estimate increased by 5% to represent reasonably anticipated increases.

	Total	Residential	Commercial
(10) Management Fee	$15,000 /	8865	6135

The Condominium will be managed by Taube Management Corp. who is independent of the Sponsor, having principal offices at 204 East 83rd Street, New York, NY 10028. The period of the initial management agreement shall be one year at an annual fee of $15,000 per annum. This management fee reflects the prevailing cost for similar services. It is based on the size of the building, number of Residential Units, the commercial unit, and the level of service to be provided.

(11) Legal & Accounting	$8,500/	5024	3476

All Condominium Unit Owners are entitled to receive annually from the Condominium at the Condominium's expense an annual audited statement prepared by an independent certified public accountant. Estimates have been obtained with respect to professional fees as follows:

- The amount set aside for Accounting services is $6,000 based upon a proposal received from David Grossman C.P.A., having his offices at 100 Merrick Road, Suite 510E, Rockville Centre, NY 11570.
- Legal fees of $2,500 will also be set aside, both to engage counsel on retainer and to cover miscellaneous legal matters which may arise during the first year of operation.

(12) Administrative Expenses	$1,200 /	$709	$491

Administrative costs cover photocopying, faxing and postage, fees, permits and filings as well as messenger services as required. Bank fees and charges are also included.

(13) Contingency $5,500 / $3250 $2556

The Contingency provides a fund for possible expenses not included in the projected budget, or possible increases in one or more categories of operating expense beyond the projected amounts. There can be no assurance that such fund will be sufficient to pay for major capital repairs or replacement items which may be needed within the first five years of the Condominium's operation. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all unit owners.

NOTE: Sponsor represents that in the event that the commencement date of the first year of condominium operation is delayed more than six (6) months from the budget year projected in the plan, the plan will be amended to include a revised projected budget. If such amended projections exceed the projections set forth above by twenty-five percent (25%) or more, each purchaser shall have the right for fifteen (15) days subsequent to the date of mailing or personal delivery of a copy of such amendment to him to rescind his purchase agreement, and, if not otherwise in default, have his deposit refunded. Sponsor has attempted to make accurate estimates.

The budget is not intended, and should not be taken, as a guarantee by anyone that the annual common charges or common expenses for the first or any subsequent year of operation of the property will be as set forth in the budget. In fact, it is likely that the actual income and expenses for the first year of condominium operation will vary from the amounts shown in the budget.

SCHEDULE B-1

PROJECTED INDIVIDUAL ELECTRICAL COSTS
FOR Residential Units

Based on letter dated November 19, 2004, T/S Associates Mechanical Consultants having an office at 2 West 32nd Street, New York, NY provided the following estimate of annual electric energy costs for lighting and for operating the typical electrical appliances located in each residential unit.

The estimated KWHR per year square foot and annual cost of electricity per square foot utilized by individual residential units are approximately 6.0 KWHR/Sq. Ft./Year and approximately $1.3 per square foot, based on Con Edison rate of $0.21 per KW hour.

The following table lists the annual costs of electricity for a typical unit.

Apt.	Sq. Ft.	Annual KWHRS	Annual Cost
2 BR	1,500	10,908	$2,291
3 BR	1,800	11,004	$2,311

2-BR Units

Lighting & Receptacles (4.5 Hrs./day)(30 days)(2.75 KW)(0.25)	=	93 KW Hrs.
Appliances (6 Hrs./day) (30 days) (2 KW) (0.8)	=	288 KW Hrs.
Wash/dryer (10 Hrs./month) (4.5 KW) (0.7)	=	315 KW Hrs.
AC units (800 full load Hrs./12mths) (4KW) (0.8)	=	213 KW Hrs.
TOTAL KW Hrs	=	909 KW Hrs/month

909 KW Hrs @ 0.21 cents/KWH = $191.0 / month

3-BR Units

Lighting & Receptacles (4.5 Hrs./day) (30 days) (3.5 KW) (0.25)	=	101 KW Hrs.
Appliances (6 Hrs./day) (30 days) (2 KW) (0.8)	=	288 KW Hrs.
Wash/dryer (10 Hrs./month) (4.5 KW) (0.7)	=	315 KW Hrs.
AC units (800 full load Hrs./12mths) (4KW) (0.8)	=	266 KW Hrs.
TOTAL KW Hrs	=	917 KW Hrs/month

917 KW Hrs @ 0.21 cents/KWH = $193.0 / month

The projected rates are not guaranteed and it must be expected these rates will increase with the passage of time, and may be affected by many which are beyond the control of the sponsor.

Purchasers are advised that the projections are only estimates and actual consumption will be metered and will vary based on the personal needs of residential unit owners and weather conditions.

ASSUMPTIONS ON WHICH BUDGET WAS BASED

These projections are based upon estimates of the engineer, T/S Associates Mechanical Consultants having an office at 2 West 32nd Street, New York, NY as of November 19, 2004.

The building at 88 Washington Place is a mixed-use building with 14 Residential and 2 Commercial units. Occupying the site is a two (2) story building. A four (4) story addition will be constructed above the existing two story building. The Cellar of the building will be utilized for a Gym and residential storage and for a portion of the building's mechanical plant. The first (1st) floor will be utilized for commercial retail facilities and the residential building lobby. The second (2nd) floor will be commercial/community facility. The third (3rd) through sixth (6th) floors will be utilized for residential purposes.

Estimates for Utilities (gas / steam / electricity / water & sewer) for the Residential spaces are increased by 5% to represent reasonably anticipated increases.

Utilities (gas / steam / electricity / water & sewer) for the Commercial space will be metered to each area and paid for on an as used basis. These costs are not included in the common expenses.

Because of the many variables involved, it is difficult to estimate with any reasonable degree of accuracy what separately metered costs of electricity may be. Among such variables are the number and type of appliances and light fixtures used and the extent of the use thereof, the extent to which the individually controlled air conditioning equipment is used and the temperatures at which thermostats are set and weather conditions.

Because each individual Unit Owner's consumption may vary according to preference and use, and because utility rates and adjustments thereto may change, NO REPRESENTATION OF ANY KIND IS MADE BY THE ENGINEER OR THE SPONSOR OR ANY OTHER PERSON OR ENTITY AS TO WHAT ELECTRICAL CONSUMPTION OR COST MAY ACTUALLY BE.

In view of the fact that the figures set forth may include the use of energy by Unit Owners with varying needs, that Units may be differently subdivided, with staffs of different sizes, and with different standards of comfort, the amount of energy used by the Purchaser may vary substantially from the average estimates herein provided. In addition, the effects of inflation, fuel shortages and other factors may raise the cost of electricity substantially higher than the current projected rates.

corcoran group
marketing

25 January 2005

Mr. Alan B. Friedberg
Paxton Capital Partners
350 Avenue of the Americas
New York, NY 10011

Re: Condominium Development – 88 Washington Place Condominium
Compliance with Real Property Law, Section 339(i)
88 Washington Place, New York, New York

Dear Mr. Friedberg:

Corcoran Group Marketing, a licensed real estate broker in the State of New York, of which I hold the position of Executive Vice President, has been retained by the Sponsor, CIAO-DI Restaurant Corp. & Paxton 350, LLC, to prepare this opinion concerning compliance of the referenced plan with Section 339(i) of the New York Real Property Law.

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

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

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

Sincerely,

Patricia Hayes Cole

Patricia Hayes Cole
Executive Vice President
Corcoran Group Marketing

FRIEDBERG GREENER COHEN, LLP

444 MADISON AVENUE
SUITE 805
NEW YORK, NY 10022
TELEPHONE (212) 829-9090
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RICHARD N. COHEN
DIRECT DIAL (212) 829-9090 EXT. 1
COHEN@FGCLAW.COM

January 28, 2005

Paxton 350, LLC
Ciao-Di Restaurant
c/o Friedberg Greener Cohen, LLP
444 Madison Avenue, Suite 805
New York, New York 10022

Re: 88 Washington Place Condominium
88 Washington Place
New York, New York

Gentlemen:

This is with respect to the plan of condominium organization of the premises at the above address and the allocation of the percentages of common interest to the respective units therein.

We have reviewed the allocation of common interests to be included in the Declaration of Condominium for the referenced property. It is our opinion that the percentages of common interest allocated to the respective units, as set forth in Declaration, comply with the method of allocation contained in Section 339-i(1)(iv) of the New York Condominium Act and that such allocations have been based upon floor space, subject to the location of such space and additional factors of relative value to other units in the condominium, the uniqueness of the unit, the availability of the common elements of exclusive or shared use, and the overall dimensions of the particular unit.

In formulating our opinion we have discussed the allocation of common interest with Daniel A. Cordeiro of The Corcoran Group, a licensed real estate broker under the laws and regulations of the State of New York. The Corcoran Group has been a licensed real estate brokerage firm with the State of New York since 1973 and has 12 New York City offices.

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 proposed plan of condominium organization.

FRIEDBERG GREENER COHEN, LLP

By: _____
Richard N. Cohen

COMMERCIAL UNITS

The Commercial Units will be located on street level and the second floor of the Building and may be used for any lawful commercial purpose under the New York City Zoning Resolution. Commercial Unit A will be located on the street level of the Building. Commercial Unit B will be located on the second floor of the Building. The second floor Commercial Units shall qualify as a "community facility" under the New York City Zoning Resolution. The type of business which may presently occupy the Commercial Units other than the "Community Facility" include, but are not limited to, a wide variety of local consumer and public service needs. These include convenience retail shops, dry cleaners, cafes and restaurants, food stores, banks, professional offices, bookstores, fire and police stations and like establishments. Manufacturing and industrial uses which generate truck traffic, loading and unloading of materials and other uses not compatible with the residential character of the upper floors are prohibited. The second floor Community Facility may accommodate certain community based activities such as schools and colleges, libraries, museums, medical offices, offices for philanthropic or non-profit institutions and similar types uses. If used as a food establishment, noise and fumes may emanate from the Commercial Units and traffic in and out of the Building may increase.

The Condominium Board and the Residential Unit Owners have no control over the use or any change in the uses of the Commercial Units or any part thereof. Other than provided herein, no representation is made with respect to the uses to which the Commercial Units or any part thereof may be put at any time. No representation is made with respect to the continued ownership by Sponsor of all or any portion of the Commercial Units or as to who the tenants of any portion of the Commercial Units may be at any time or as to the uses to which any portion of the Commercial Units may be put at any time (except as described above), and no assurance, representation or warranty is given that such tenants, occupants or uses will not be objectionable to Residential Unit Owners or other parties.

Sponsor reserves the right, to the extent not prohibited by law, without obtaining the consent or approval of the Condominium Board, other Unit Owners, or Mortgage Representatives (if any), (i) to make alternations, additions and/or improvements (whether structural or nonstructural, interior or exterior, ordinary or extraordinary) in and to the Commercial Units; (ii) to change the layout of, or number of rooms in, the Commercial Units; (iii) to change the size and/or number of the Commercial Units by subdividing such Commercial Units into additional Commercial Units, combining two or more separate Commercial Units into one or more Commercial Units, or altering the boundary walls of the Commercial Units (including, without limitation, incorporating in such Commercial Units a wall, space, hallway or other area forming a part of the Common Elements if such incorporation does not affect access to any other Unit), provided and on the condition that: (a) no physical modification shall be made to any other Units and the Common Interests and interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of any such other affected Unit shall consent thereto; (b) the owners of the Commercial Units shall comply with the law and governmental rules and regulations and file such plans and amend the Declaration as may be necessary with respect thereto and to seek any approval or consent of any governmental

authority or agency which may have jurisdiction or take any other action which may be necessary with respect thereto; (c) the owners of the Commercial Units shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom; (d) such alteration, addition or improvement shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other Persons at the Property; (e) the Commercial Units as a whole or as further subdivided units, will be offered for sale only after the Plan has been appropriately amended or after a new plan has been accepted for filing; and (f) no such alteration shall affect the exterior of the Building. The aforementioned rights shall not impact the Condominium in a materially adverse manner.

The Common Charges payable by the Commercial Unit Owner are sufficient to cover the expenses fairly attributable to each Commercial Unit. The allocation of Common Charges to the Commercial Units shall also reflect any special or exclusive use or availability or exclusive control of particular common areas. Residential Unit Owners will not have any interest in the rents, profits or reserves from the sale, rental or use of any space in the Commercial Units. The projected share of expenses of the Commercial Units is based upon the relative square footage of the Commercial Units to all of the Residential Units in the Building.

The owner of the Commercial Units shall be entitled to designate one (1) member of the Board of Managers, unless one or all of those Commercial Units are owned by the Sponsor at the expiration of the Initial Control Period and the Sponsor would then be entitled to designate a majority of the members of the Board of Managers, in which case Sponsor or its designee will not use its right as the owner of the Commercial Units to designate a majority of the Board of Managers. In addition to the right to designate, the owners of the Commercial Units shall be entitled to vote all of the Common Interests allocated to the Commercial Units in any elections held by the Condominium. (See "Control by Sponsor" for further discussion.)

CHANGES IN PRICES AND UNITS

The Sponsor will not make any changes in the size or number of Residential Units, their respective percentage of Common Interest or in the amount or quality of Common Elements except by amendment to the Plan and in the event of a change, by amendment to the Declaration with the consent of all Residential Unit Owners directly affected thereby, if the Declaration was recorded prior to such change. Unless prohibited by law, the Sponsor shall have the right to amend or cause the Board of Managers to amend the Declaration to reflect any such change and to file such amendment and any such plans, specifications and maps in connection thereunder. In addition, the Sponsor reserves the right to make any change in unit size, layout, appliances, percentage of Common Interest or in the amount or quality of Common Elements directly affecting or servicing any Unit. No such changes shall be made with respect to a Unit for which a Purchase Agreement has been executed and delivered to the Sponsor and where the Purchaser is not in default under the terms of said Purchase Agreement, unless the Purchaser consents in writing to such change. In the event such Purchaser does not consent, the Sponsor shall not make such changes or such Purchaser

will be given an opportunity to rescind his Purchase Agreement and receive a return of his Downpayment.

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

The sales prices at which the Residential Units are being offered initially are shown in Schedule A. The sales prices of one or more Units set forth in Schedule A may be changed by a duly filed amendment to the Plan. Notwithstanding the above, prices are negotiable unless such negotiation would constitute a discriminatory inducement. The Sponsor may enter into a Purchaser Agreement with an individual Purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment.

Except to the extent prohibited by law, and subject to certain restrictions set forth in the Declaration, the Sponsor will have the right, without the vote or consent of the Board, or other Unit Owners, if any to: (a) make alterations, additions or improvements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, of any type or nature whatsoever, in, to and upon (i) the Commercial Units, and/or (ii) the Commercial Limited Commercial Limited Common Elements; (b) change the layout of the Commercial Units from time to time; (c) subject to compliance with all applicable laws and governmental regulations, if any (i) change the size of the Commercial Units by subdividing the same into any desired number of commercial condominium units; (ii) designate a Commercial Limited Common Element as a part of a newly created unit or designate part of the Commercial Units as a newly created Commercial Limited Common Element; (iii) reapportion among the newly created commercial condominium units resulting from the subdivision (or combination) their appurtenant Common Interests, provided, however, that in no case may such division result in a greater percentage of Common Interest for the total of the new commercial units than existed for the original Commercial Units before subdivision thereof; and (iv) change, alter or modify the facade and exterior portion of the Commercial Units; and (d) subject to compliance with all applicable laws and governmental regulations, including, but not limited to zoning requirements, if any, (i) change the size of the Commercial Units by subdividing the same into any desired number of residential condominium units; (ii) designate part of the Commercial Units as a newly-created residential unit or units; and (iii) reapportion among the newly-created residential condominium unit or units resulting from any such subdivision (or combination) their appurtenant Common Interests, provided, however, that in no case may such division result in a greater percentage of Common Interests for the total of the newly-created residential units than existed for the original Commercial Unit before subdivision of the Commercial Unit. As more particularly provided in the Declaration, the Sponsor will have the right to amend the Declaration to the extent required to effectuate the changes contemplated by this section without obtaining the consent of the Board. In addition, the Sponsor shall have all other rights which an owner of a commercial building ordinarily has, including the rights to make renovations and structural changes to the Commercial Units, to lease or sell all or a part of the Commercial Units, to enter into contracts for services to be performed on or with respect to the Commercial Units, and to mortgage or otherwise encumber the Commercial Units.

INTERIM LEASES

The Sponsor reserves the right to enter into interim leases for Units that are vacant on the Filing Date, or which become vacant thereafter. However, once a Purchase Agreement for a vacant Unit has been executed, and for so long as such Purchase Agreement is in effect, the Sponsor shall only lease the Unit to the Purchaser thereof.

The terms of such interim lease will be for a period which will expire in one (1) year or on the Unit Closing Date, whichever is earlier. In addition, the Sponsor may require Purchasers who execute interim leases to take physical possession of the Unit within a reasonable time after an interim lease is executed. If the Plan is abandoned, the tenant under an interim lease may either (i) remain in possession of the Unit in accordance with the lease, or (ii) terminate such lease and vacate the Unit as of the last day of any month on not less than thirty (30) days' prior written notice to the Sponsor. As security for the interim lease, Sponsor reserves the right to increase the Downpayment to twenty (20%) percent of the purchase price.

All such interim leases executed by a Unit Purchaser will provide, among things, that (i) an uncured default under the Purchase Agreement for the Unit will constitute a substantial and material default under the interim lease, entitling the landlord (the Sponsor), at its sole option, to immediately terminate such interim lease, and (ii) an uncured default under the interim lease will constitute a substantial and material default under the Purchase Agreement. However, before the Sponsor may utilize any such default under the interim lease to declare a default under the Purchase Agreement, either: (i) the Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim lessee or (ii) the interim lessee must have vacated the Unit.

In the event that an interim lease is terminated by the Sponsor upon default under such lease or a Purchase Agreement, the interim lessee shall have thirty (30) days in which to vacate the Residential Unit.

Any right to rescind a Purchase Agreement to which the interim lessee may become entitled will be conditioned upon the prior surrender of his interim lease and vacation by such lessee of the Residential Unit within thirty (30) days of the exercise of the rescission right.

The rent payable for any such Unit and other terms under an interim lease will be negotiated by the Sponsor and the interim lessee, but will in no event exceed the maximum rent that may be legally collectible, if any.

It should be noted that until the Purchaser acquires title to the Unit, the purchaser of a Unit will not be able to claim the income tax deductions in the Plan. Such deductions may become available only when and if (a) the Plan is declared effective and there is a sale to a purchaser hereunder, and (b) the conditions set forth in the Attorney's Income Tax Opinion have been met, and then only for period subsequent to the Unit Closing Date. NO PART OF THE RENT PAID PURSUANT TO AN INTERIM LEASE WILL BE APPLIED TOWARD THE PURCHASE PRICE OF ANY RESIDENTIAL UNIT.

PROCEDURE TO PURCHASE

The Sponsor hereby offers for sale the Units for occupancy subject to applicable governmental regulations. The sales prices, at which the units are being offered, are shown in detail in Schedule A.

Any person may accept the Sponsor's offer to sell the Units by entering into a Purchase Agreement with the Sponsor in the form annexed in Part II of the Plan. The Purchase Agreement provides that the Purchaser will purchase from the Sponsor a designated Unit in the Condominium described in the Declaration.

A Purchaser will be offered a minimum of three (3) days to review the Offering Plan and all filed amendments prior to executing binding Purchase Agreement. Any conflict between the Plan and the Purchase Agreement shall be resolved in favor of the Plan.

Upon signing the Purchase Agreement the Purchaser shall make a Downpayment of ten (10%) percent of the total price of his/her Unit. Sponsor in its sole discretion may accept a smaller Downpayment, but not less than $1,000.00. Additional deposits may be required to pay for the cost of such custom work, upgrades or extras that the Purchaser and Sponsor may agree upon. These additional deposits will be placed in the Escrow Account (as defined herein) with the Downpayment. However, the funds deposited in connection with custom work upgrades and/or extras may be released from the Escrow Account by the Escrow Agent (as defined herein) so long as Sponsor uses such funds to pay for the costs of the custom work, upgrades and/or extras. As a result, in the event that a Purchaser shall become entitled to rescission of a Purchase Agreement, the Purchaser will not receive a refund of any funds used for custom work, upgrades and/or extras.

Financing

The Purchase Agreement, in the form set forth in Part II of the Plan, is not contingent upon the Purchaser obtaining financing nor does this Plan contain any provision requiring the Sponsor to provide or aid the Purchaser in obtaining financing for the purchase of a Unit. Accordingly, a Purchaser who is unable to tender the balance due at closing will be in default of his/her Purchase Agreement entitling the Sponsor to retain such Purchaser's down payment and all accrued interest thereon.

No representation is made that bank financing will be available to any Purchasers under the Plan or as to the amount, terms and conditions upon which such financing may be granted or the cost to obtain it. Purchasers should be aware that even if a loan commitment is given, its term may expire prior to the date of the closing. In the event a Purchaser's loan commitment does expire, the Purchaser will remain obligated to close on the Unit under the terms of the Purchase Agreement.

The balance of the purchase price (including the proceeds of any mortgage loan) will be due

on the closing of title of the Unit. Such sum shall be paid by Purchaser's certified check drawn on, or a cashier's check of, a bank which is a member of the New York Clearing House Association to the order of the applicable escrow agent, as defined later in this Section. Upon full payment of the purchase price at the closing, in cash or by mortgage, the Purchaser will receive a bargain and sale deed with covenant against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and marketable title to him of fee ownership in the Unit and such percentage of Common Interest in the Common Elements as is set forth on Schedule A, free and clear of all liens and encumbrances other than those set forth in the section of the Plan entitled "Closing of Title to Units." The Purchase Agreement may be modified with the consent of the Purchaser and Sponsor with respect to all Units, subject to the terms of this Plan.

Once the Purchaser has executed a Purchase Agreement the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart to the Purchaser within twenty (20) days or reject the Purchase Agreement and refund the Downpayment deposit to the Purchaser. If the Sponsor takes no action within said twenty (20) day period the Purchase Agreement shall be deemed rejected. The risk of loss or damage to the interior components of the Unit by fire or any other cause is assumed by the Sponsor until the earlier of delivery of the deed or delivery of possession pursuant to an interim lease.

Simultaneously with the delivery of a Purchase Agreement each Unit Purchaser will be required to execute a unit power of attorney (the "Power of Attorney") in favor of the Board of Managers substantially in the form set forth in Part II of this Plan. The Power of Attorney will enable the Board of Managers to exercise certain rights on behalf of the Condominium, such as exercising or waiving a right of first refusal to purchase or lease a Unit, protesting the Condominium's real estate taxes valuation with the City of New York, or amending the Declaration or By-Laws of the Condominium. The Power of Attorney must be signed and acknowledged and returned to the Selling Agent within five (5) days after request and the failure to do so shall constitute a material default under the Purchase Agreement and the Downpayment will be forfeited unless the default is cured within thirty (30) days after notice to the Unit Purchaser.

Escrow Provisions

The Escrow Agent, as hereinafter, will hold all Downpayments in compliance with the escrow and trust fund requirements of General Business Law Sections 352-3 (2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

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

All deposits, Downpayments, or advances made by Purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the Purchase Agreement is signed by all necessary parties, in a segregated special escrow account of Friedberg Greener Cohen, LLP, the Escrow Agent, whose address is 444 Madison Avenue, Suite 805, New York, New York 10022. The name of the account will be "Friedberg Greener Cohen LLP Special Account for the 88 Washington Place Condominium" located in HSBC Bank USA ("HSBC"), at 415 Madison Avenue, New York, New York 10022 (the "Escrow Account"). The signatory on the Escrow Account shall be Richard N. Cohen, Esq. HSBC is covered by federal bank deposit insurance to a maximum of $100,000.00 per individual deposit.

The Account will be interest-bearing and, unless the Purchaser defaults, interest will be credited to the Purchaser at closing. The interest rate to be earned will be the prevailing rate for these accounts, which currently is approximately 1%. Interest will begin to accrue within five (5) business days of tender of the Downpayment.

All instruments shall be made payable to or endorsed to the order of Friedberg Greener Cohen, LLP, as Escrow Agent.

Within ten (10) business days after tender of a Downpayment submitted with a Purchase Agreement, the Escrow Agent will notify the Purchaser that such funds have been deposited into the Escrow Account and will provide the account number and the initial interest rate. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Downpayment, the Purchaser may cancel the Purchase Agreement and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the Downpayment. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

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

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

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

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

At the closing of title to a Unit, Purchaser and Sponsor shall execute a joint instruction letter which will authorize the Escrow Agent to release the Downpayment. If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10)

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

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

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

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

Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Downpayment and any interest thereon. The sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is attached in Part II of this 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, Seller, Purchaser and Escrow Agent shall abide by any interim directive issued by the Attorney General.

Attached to this Plan in Part II is a model of the escrow agreement which incorporates the terms of the Attorney General's regulations.

For the convenience of prospective Purchasers who desire to purchase a Unit but are not ready to execute a Purchase Agreement, the Selling Agent may, but shall not be required to, accept deposits from such persons of $150.00, to assure the return of this Plan in good condition. If within seven (7) days of acceptance of the deposits a Purchaser enters into a Purchase Agreement or returns the Plan in good condition to the Selling Agent, the deposit will be refunded. Any such deposit will be treated as trust funds pursuant to applicable law.

Notice of Closing

After the Plan has been declared effective, Sponsor will fix dates for the closing of title to all Units for which Purchase Agreements have been executed, by serving a notice on each Purchaser stating the date of the First Closing and setting such Purchaser's Unit Closing Date.

Each Purchaser will be given at least fifteen (15) days' written notice in advance of his/her obligation to pay the balance of the purchase price. Notice will also be given (and may be given at the Sponsor's option at the time of notice of the due date of the balance of the purchase price) of the date of a Unit closing which will be no earlier than thirty (30) days from the giving of the notice. Sponsor may permit Purchasers to waive this thirty (30) day provision by including such waiver in

the Plan or any amendment thereto. Such notice will state when Common Charges will be due and payable. The balance is to be paid by unendorsed certified check of Purchaser or official bank check or cashier's check, in either case drawn on a New York City bank which is a member of the New York Clearinghouse Association payable as directed by the Sponsor.

If though no fault of Sponsor a Purchaser fails for any reason to close on the date originally scheduled for the closing of title to his/her Unit (the "Original Closing Date"), the (A) the closing adjustments shall be made as of midnight preceding the Original Closing Date and (B) Purchaser shall pay to Sponsor an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the Original Closing Date to (and including) the day before the actual Closing Date; (NOTE: If the Unit is vacant, the Purchaser will be required to reimburse Sponsor for all Common Charges, real estate taxes and any special assessments payable during such interim period).

Notwithstanding the foregoing, if a Purchaser is obtaining financing from a bank, trust company or other lending institution, then only that portion of the balance of the purchase price which is not being financed need be paid within said fifteen (15) day period. However, in such case, the Purchaser must submit together with such payment a copy of a written commitment from the lending institution (in form satisfactory to counsel for the Sponsor) for the portion of the purchase price to be financed. If the Purchaser complies with the foregoing, then the financed portion of the balance of the purchase price will be payable on the Unit Closing Date.

If a Purchaser fails to pay any portion of the purchase price when due, fails to close title to his/her Unit on the date specified by the Sponsor pursuant to the Purchase Agreement or otherwise defaults, the Sponsor may elect to cancel the Purchase Agreement by thirty (30) days' written notice to the Purchaser and shall, upon the expiration of such 30-day period (unless such default be cured within said period), be entitled to liquidated damages in an amount equal to the amount of the Downpayment (but in no event to exceed ten 10%) percent of the purchase price) plus any monies paid by Purchaser for the cost of optional extras or changes within the Unit and spent for such extras and thereafter neither party shall have rights or obligations against the other.

Final Inspection of Unit

At least five (5) business days before the Unit Closing Date, the Sponsor will notify the Purchaser that the Unit is ready for final inspection. Upon receipt of the notice, Purchaser will promptly arrange an appointment with the Sponsor of Selling Agent to inspect the Unit during such five (5) business day period. Purchaser or Purchaser's duly authorized agent shall attend such inspection, accompanied by a representative of Sponsor, and shall complete, date and sign an inspection report (the "Inspection Report") and deliver same to the Sponsor or Selling Agent at the conclusion of the inspection. The failure of the Purchaser either to inspect the Unit within the five (5) business day period or to so sign and deliver a completed Inspection Report, shall not excuse Purchaser from paying the balance when due and shall constitute Purchaser's full acceptance of the Unit in the as-built condition existing on the day of the Closing. A Purchaser is obligated to pay the entire balance of the Purchase Price, without provision for escrow, not withstanding Sponsor's

obligation to complete or correct the construction items noted on Purchaser's Inspection Report, provided a temporary certificate of occupancy has been obtained for the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in "Rights and Obligations of Sponsor."

The Purchase Agreements will not be modified so as to abrogate a Purchaser's right under Article 23-A of the General Business Law. Any material modification of the form of Purchase Agreement to be used by tenant Purchasers must be modified by duly filed amendment to the Plan.

The risk of loss from fire or other casualty to the interior components of the Unit remains with the Sponsor unless and until the earlier to occur of (a) a non-tenant Purchaser takes actual possession of a Unit pursuant to an interim lease or (b) legal title to the Unit has been conveyed to the Purchaser. Non-tenant Purchasers are advised to obtain appropriate insurance if they obtain possession of a Unit pursuant to an interim lease.

Any conflict between this Plan and the Purchase Agreement shall be resolved in favor of this Plan.

ASSIGNMENT OF PURCHASE AGREEMENT

Purchase Agreements may not be assigned without the consent of the Sponsor.

EFFECTIVE DATE OF THE PLAN

The Sponsor's offer to sell the Units is contingent upon the Plan being declared effective and no closing to a Unit will be held or a date fixed for such closing until the Plan is declared effective. The Plan will be declared effective by (i) an amendment to Plan filed with the Department of Law, or (ii) the serving of a written notice, which will be delivered personally or sent by regular, registered or certified mail, with or without return receipt requested, to each Purchaser followed by the submission of an amendment of the Plan to the Department of Law of the State of New York within five (5) business days thereafter, confirming that the Plan was declared effective.

Effective Date

The Plan may be declared effective if written Purchase Agreements have been executed and delivered for at least fifteen (15%) percent of all Units in the Building. In calculating the percentage, no Unit Purchaser will be counted more than once, and only one Purchase Agreement will be counted for any one Unit. If a Purchaser enters into Purchase Agreements for more than one Unit, each of the Purchase Agreements will be included in calculating the fifteen (15%) percent figure.

The Sponsor must declare the Plan effective when and if Purchase Agreements have been

executed and accepted for the sale to Purchasers of at least eighty (80%) percent of the Units offered under the Plan, and the conditions referred to in the aforesaid paragraph above have been met.

The Plan will not be declared effective based on Purchase Agreements (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived, (ii) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent, or is a principal of the Sponsor or the Selling Agent, or is related to the Sponsor or the Selling Agent by blood, marriage, or adoption or a business associate, an employee, a shareholder or a limited partner of the Sponsor or the Selling Agent; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

Once the Plan is declared effective, ir may not thereafter be withdrawn or abandoned by Sponsor except in the event of (i) the existence of one or more defects in title affecting one or more Units that cannot be cured without litigation or cannot be cured for less than an amount equal to ½% of the amount of this offering in the aggregate and which are not waived by the Purchaser thereof, or (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be repaired or restored for less than an amount equal to ½% of the amount of this offering in the aggregate, provided that the Sponsor is entitled to collect the proceeds of any applicable fire insurance policy in an amount at least equal to the actual cost or repairs, or (iii) the taking of any material portion of the Property by condemnation or eminent domain. Any stated dollar amount relied upon as a basis for abandonment after effectiveness must exclude any attorney fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record.

If and when the Plan is abandoned, the Sponsor will give notice thereof by regular mail to all Purchasers and existing tenants and will within five (5) business days thereafter submit to the Department of Law a notice of abandonment on the appropriate form along with an amendment to the Plan disclosing the same. All monies paid by a Purchaser pursuant to a Purchase Agreement will be returned in full within twenty (20) days thereafter, with interest. Upon the return of the Downpayments, the Purchase Agreements will be null and void and neither the Sponsor not the Selling Agent will have any further liability to Purchasers thereunder or under this Plan. In the event of abandonment, Sponsor shall file an amendment together with Form RS-3 Notification of Abandonment, disclosing that the Plan has been abandoned.

TERMS OF SALE

A Unit Closing Date will be set by the Sponsor in accordance with the Purchase Agreement upon thirty (30) days written notice to the Purchaser. Said notice will also include notice of the Obligation to pay the balance of the purchase price, will offer the Purchaser the opportunity to inspect his/her Unit and the Condominium, and will state when the Purchaser will be required to pay his/her first month's Common Charges, unless the date of commencement of payment of such charges has not been set by the Board of Managers. On the Unit Closing Date, fee title to the Unit will be conveyed to the Purchaser along with the Purchaser's undivided interest in the Common Elements. All personal property located within the Unit on the date the Purchase Agreement is executed or located within the Common Elements on the date the declaration is filed, that is owned by the Sponsor, will be included in the conveyance. The closing of title to the first Units are expected to commence on or about June 1, 2006. Such closing, however, will only take place after or simultaneously with the happening of the following events:

1. The Declaration, By-Laws, floor plans and engineer's and tax authority certification required by Section 339-p of Article 9-B of the Real Property Law of the State of New York shall be recorded or filed as required by law.

2. The Unit and its undivided interest in the Common Elements shall not be subject to the lien of any mortgage at the time of closing except any mortgage requested by the Purchaser at the time of closing representing a purchase money mortgage or mortgages taken by the Purchaser.

3. The filing of an amendment to the Plan disclosing that (a) the Plan has been declared effective pursuant to the terms of the Plan; and (b) the Sponsor has complied with the requirements of paragraphs 1 through 6 herewith.

4. The delivery to the Unit Owner a bargain and sale deed with covenant against grantor's acts in the form set forth in Part II of the Plan.

5. The Purchaser shall execute an instrument (a unit power of attorney), in the form set forth in Part II of the Plan, designating the Board of Managers as his/her attorney in fact coupled with an interest, for the sole purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Units acquired by the Board of Managers in accordance with any of the provisions of the By-Laws.

6. If so requested by the Purchaser, the issuance to Purchaser, by the First American Title Insurance Company of New York or such other title company that is licensed to do business in New York State and approved by the Sponsor, of a policy of title insurance in the amount of the purchase price for the Unit which shall insure that (a) such Purchaser has good and marketable fee title in the Unit, free and clear of all

liens and encumbrances, except those set forth below in this Plan and subject to the provisions of the Declaration and By-Laws as recorded, and any mortgage executed by the Purchaser and (b) that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law.

The Unit Owner, at his/her option, may purchase title insurance covering his/her interest in the Unit. See the Section of the Plan entitled "Closing Costs and Adjustments" for the cost of such insurance. Title to the Unit will be subject to the following:

1. Any state of facts of the Property as shown on a survey to be made prior to the closing of title provided such facts would not render title unmarketable.

2. Any sewer, steam, water, gas, electric, drainage, telephone, cable television or other utility easements or consents granted or to be granted hereafter, including the right to maintain and operate lines, wires, cables, pipes, conduits, poles and distribution boxes in, over, under, and upon the Condominium.

3. All of the terms, covenants and conditions of the Declaration, the By-Laws and the Plans and Specifications as they are subsequently filed or recorded and the Plan and any amendments thereto.

4. Zoning and building ordinances, resolutions, statements, description, restrictions and regulations of municipal authorities having jurisdiction and amendments thereto or Landmark designations, now or hereafter adopted, provided same will not be violated by the contemplated structure and use.

5. Beam and beam rights and party walls and party wall agreements.

6. Any variations between tax lot lines and lines of record title.

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

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

9. All easements and/or Party Wall Agreements set forth in the Declaration and By-Laws, as they are subsequently recorded, and in the Plan and Purchase Agreement, including but not limited to:

(a) Easement in favor of the Owners of other Units to use the pipes, wires, conduits, cable, television, and public utility lines located in the Common Elements, Residential Common Elements or in the Unit itself servicing such other Units and/or

the Common Elements, Residential Common Elements or Limited Residential Common Elements.

(b) Easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to the Unit and to the Common Elements, Residential Common Elements, Limited Residential Common Elements to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the Common Elements, Residential Common Elements and Limited Residential Common Elements or any other Units, to make repairs to the Common Elements, Residential Common Elements and Limited Residential Common Elements, to any wires, pipes, conduits or cable television system servicing any of the Units or to make repairs to any other Unit;

(c) Easements in favor of those Units having portions of the Common Elements limited to their use;

(d) Easements for the continuance of encroachments on the Unit and on the Common Elements, Residential Common Elements or Limited Residential Common Elements by other Units or portions of the Common Elements, Residential Common Elements or Limited Residential Common Elements, now existing by reason of the construction of the Units, or hereafter occurring by reason of the settling or shifting of the Units, or by reason of the repair and/or restoration by the Board of Managers of the Units or such other Units or such Common Elements, Residential Common Elements or Limited Residential Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common Elements, Residential Common Elements or Limited Residential Common Elements made by the Board of Managers, so that any such encroachments may remain as long as the Units stand;

(e) Covenants and Restrictions recorded on 11/18/1826 in Liber 211cp 82;

(f) Covenants and Restrictions recorded on 3/1/1887 in Liber 2034 cp 240; and

(g) Agreement recorded on 8/24/1966 in Recorded Liber 130 page 294.

The Sponsor will reserve the right to grant easements for additional utility, sewer and drainage lines and appurtenances in, over, under and through the Condominium, to relocate any existing utility, sewer and drainage easements and to dedicate any or all such facilities to any governmental body, public benefit corporation or utility company, if the Sponsor shall deem it necessary or desirable for the proper operation and maintenance of the Condominium or any portion thereof, or for the general health and welfare of any Unit Owner, provided that such additional utilities or the relocation of existing utilities will not prevent or materially interfere with the use of the Units for their stated purposes. Any utility company or public benefit corporation furnishing

services to the Condominium, and its employees and agents, shall have the right of access to any Unit and to the Common Elements, Residential Common Elements and Limited Residential Common Elements in furtherance of such easements provided such right of access is exercised in such a manner as not to unreasonably interfere with the use of the Units.

Each user of an easement referred to in this Section shall have the responsibility or repairing any damage resulting from his/her acts.

Any or all of the foregoing exceptions may be omitted from the deed to be delivered at the closing of the title, but all such exceptions so omitted shall nevertheless survive the delivery of the deed.

The Sponsor has been advised by its counsel, Friedberg Greener Cohen, LLP, that in counsel's opinion, none of the exceptions to title herein above set forth is of a serious nature or should discourage a willing Purchaser from purchasing any Unit or should affect the saleability of any Unit.

UNIT CLOSING COSTS AND ADJUSTMENTS

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

(a) Fee title insurance, if ordered. First American Title Insurance Company of New York ("FATIC") quotes fee title insurance rates as of the date of this Plan as $402.00 for the first $35,000.00 of fee insurance plus from $6.67 to $2.76 for each $1,000.00 of additional fee insurance or fraction thereof depending on the total amount of insurance. First American Title Insurance Company of New York will insure lenders at discounted simultaneous rates if a fee policy and mortgage policy are both obtained by Purchaser.

(b) Fee for recording the deed covering the Unit, the Power of Attorney in favor of the Board of Managers and any applicable Mortgage release on the Unit: FATIC charges $32.00 as a base recording charge plus $5 per page plus $30.00 documents service charge and charges a mortgage recording fee (if any) at a rate of $62.00 per instrument plus $5 per page. Each title company established its own additions service and surcharges in this regard.

(c) The New York State transfer tax of $2.00 per $500.00 or fractional portion thereof of the gross consideration (less, where the gross consideration is less than $500,000, any pre-existing and continuing mortgages) and the New York City transfer tax of 1% of the purchase price where the consideration is less than $500,000 and 1.425% where the consideration is more than $500,000 with respect to residential transfers. WHILE THE NEW YORK STATE AND NEW YORK CITY TRANSFER TAXES ARE CUSTOMARILY PAID FOR BY THE SELLER IN SINGLE FAMILY HOME TRANSACTIONS, THE BURDEN OF PAYING SUCH TAXES MAY BE MODIFIED BY CONTRACT. Thus, as is common with many other condominium developments in New York State,

this Plan and the Purchase Agreement provides that the Purchaser of a Unit will be required to pay these transfer taxes at the closing. Purchasers should also be aware that Units acquired for purchase prices in excess of $1,000,000.00 are subject to the so called "Mansion Tax," which is one (1%) percent of the total purchase price and is payable by Purchaser at closing to the State of New York Department of Taxation and Finance. It should be noted that the New York City Department of Finance and New York State Department of Taxation and Finance have taken the position that where the Purchaser pays such taxes the amount of such taxes shall be added to the consideration subject to the taxes, for purposes of calculating the appropriate payment of transfer taxes, including without limitation the Mansion Tax.

For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to tax. Therefore, the steps to compute the tax are as follows:

1. Multiply the purchase price by the RPT Tax rate to compute the tentative City tax.

2. Multiply the purchase price by the NYS Tax rate to compute the tentative NYS Tax.

3. Add the tentative taxes to the Purchase Price.

4. Multiply the total calculated in line #3 above by the RPT Tax rate to determine the RPT Tax payable.

5. Multiply the total calculated in line #3 above by the NYS Tax rate to determine the NYS Tax payable.

6. Multiply the total calculated in line #3 above by the Mansion Tax rate to determine the Mansion Tax payable.

EXAMPLE: Purchase Price = $1,500,000.00

1. $1,500,000 x 1.425%	=	$21,375.00 (Tentative RPT Tax payable)
2. $1,500,000 x .4%	=	$6,000.00 (Tentative NYS Tax payable)
3. $1,500,000 + $27,375	=	$1,527,375.00 (Adjusted Purchase Price)
4. $1,527,375 x 1.425%	=	$21,765.09 (Actual RPT Tax payable)
5. $1,527,375 x .4%	=	$6,110.50 (Actual NYS Tax payable)
6. $1,527,375 x 1%	=	$15,273.75 (Actual Mansion Tax payable)

(d) If the Purchaser obtains a mortgage from an institutional lender, he shall pay at the

closing of title the following costs, or if any such costs has been paid by the Sponsor, the Purchaser shall pay to the Sponsor the sum of sum of such costs paid by the Sponsor: (i) recording fee for the mortgage, (ii) mortgage recording tax in the amount provided by law (at the date of this Plan the tax is 2% of the amount of any mortgages securing debts of less than $500,000.00 and 2.125% of the amount of any mortgages securing debts of $500,000.00 or more, but in either event the Purchaser is entitled to a $25.00 credit and the Mortgagee is obligated to pay 1/4% of said tax; and any mortgage tax credit received pursuant to Section 339-ee of the Real Property Law, by virtue of the mortgage recording taxes Sponsor has paid on the Property or Building, will inure to the benefit of Sponsor; (iii) the premium for the mortgage title insurance policy, the present rates being (i) $344.00 for the first $35,000, plus from $5.55 to $2.31 (which rate decreases as the amount of the Insurance increases) for each $1,000.00 of additional mortgage title insurance or fraction thereof depending on the total amount of insurance and (iv) the lending institution's closing costs and expenses, including, without limitation, points, credit search and appraisal fees and attorney's fees pertaining to the mortgage. No representations or warranties are made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans. In addition, should the Purchaser elect to obtain a mortgage, he may be required by the lending institution to provide to the lending institution a deposit towards the payment of real estate taxes based upon a multiple estimated monthly real estate taxes which will vary with the closing date. The Sponsor is unable to estimate the total closing costs and expenses to be borne by each Purchaser in the event Purchaser obtains a loan from a lending institution.

(e) All Purchasers, except for the Sponsor, shall pay at closing two (2) months Common Charges to the Condominium as initial working capital. While Sponsor is in control of the Board of Managers the working capital fund (the "Working Capital Fund") will not be used to reduce the Common Charges. If any portion of the Working Capital Fund is used during this period to pay for items in the budget set forth as Schedule B, such amounts will be repaid to such fund out of Common Charges collected at each closing.

(f) Each Purchaser shall be responsible for the payment of fees of his own attorney and in the event of the establishment of an additional real property transfer tax or any other tax imposed with relation to delivery of the deed, such tax payment. The mortgage and the fee title insurance premiums, the recording charges and the mortgage recording and transfer taxes set forth above are those in effect as of the date of this Plan. If said premiums, charges or rates are subsequently revised by the title company and/or the State and City of New York, each Purchaser shall be required to pay the title insurance premiums, recording charges and transfer taxes in effect as of the date of the closing of title to his Unit.

(g) Each Purchaser shall be required to pay the following counsel fees to Friedberg Greener Cohen, LLP, attorneys for the Sponsor:

(i) $1,500.00 for each closing;

(ii) $350.00 for each assignment of a Purchase Agreement;

(iii) $500 if a closing is held outside the Sponsor's attorney's office (but such location must remain within New York County);

(iv) $350.00 if a default letter is required to be sent by the Sponsor's attorneys; and

(v) $1,000.00 if a title insurance company other than the First American Title Insurance Company of New York is used by a Purchaser.

Example: Mandatory Closing Costs

Purchaser will pay approximately the following mandatory Closing costs based on rates in effect in March 2005 and assuming the Purchase Price is $1,500,000 and the form of documents in the Part II of this Plan are used (all amounts are approximate and rounded to the nearest dollar).

1. Fee to record Unit deed (assuming 4 pages + 1 cover page) and Unit Owner's Power of Attorney (assuming 3 pages + 1 cover page) at a rate of $18 for each instrument plus $5 per page, plus an additional $32 for recording each instrument. $135.00

2. Title insurer's service charge and recording fee to record the Unit deed and Unit Owner's Power of Attorney. $60.00

3. New York State transfer tax (also call the documentary stamps) at the rate equal to the Adjusted Purchase Price (see Example above) x .4% (rounded up to the nearest $500) plus a "Mansion Tax" of 1% of the Adjusted Purchase Price (if the Adjusted Purchase Price is $1,000,000 or more) $21,384.00

4. New York City transfer tax (at the rate of 1% of an Adjusted Purchase Price of $500,000 or less, or at the rate of 1.425% of an Adjusted Purchase Price of more than $500,000) $21,790.00

Total projected mandatory Closing costs: $43,369.00 (estimated and approximate)

Note: This figure does not include the required Working Capital Fund payment equal to two (2) month's projected Common Charges and the legal fee due Sponsor's attorneys. In addition, governmental recording fees may vary from time to time. Title company service charges (if any) may also be imposed depending on the title agent or insurer.

Example: Elective Closing Costs

Assuming the purchase of the Unit is financed with a mortgage loan for 80% of the Purchase Price (or $1,200,000) and both fee and mortgage title insurance are obtained simultaneously for Purchaser and Purchaser's mortgage lender, Purchaser would pay the following projected elective Closing costs based upon rates in effect as of March 2005 (all amounts are approximate and rounded to the nearest whole dollar):

1. Mortgage recording tax (at a rate of 2% of the mortgage - if less than $500,000 - or 2.125% of the mortgage - if $500,000 or more), minus $25 and minus .25% payable by the mortgage lender before deducting the statutory credit against the mortgage tax credit payable to Sponsor. $22,475.00

2. Mortgage recording fee (assuming 20 pages) at the rate of $62 per instrument, $5 per page. $162.00

3. Municipal charge to record the mortgage tax credit affidavit. $62.00

4. Premium for simultaneous fee ($4,436) and mortgage ($919) title insurance. $5,382.00

5. Other projected potential mortgage loan costs (assuming: "points" of 1% of mortgage amount, appraisal of $250, lender's legal fee of $750, UCC-1 filing fee of $50 and $200 allowance for miscellaneous expenses) $13,350.00

6. Allowance for title closer gratuity and contingencies. $250.00

Total projected elective closing costs: $41,681.00 (estimated and approximate)

Note: This projection does not include: (a) escrows for real estate taxes, Common Charges or other sums that might be required by Purchaser's mortgage lender, (b) a travel fee to Sponsor's attorneys in the event the Purchaser's lender or its counsel refuses to close at the office of Sponsor's attorneys or (c) a fee to any attorney Purchaser may engage.

Purchaser's actual Closing costs will be based upon the applicable governmental and title company rates in effect on the Unit Closing Date.

The foregoing projection of mandatory and elective Closing costs are not guaranteed. Although the projections are believed to be reasonable, there are a number of unknown factors (such as the mortgage loan Closing costs, which may vary widely amongst different lenders). As a result, the actual Closing costs may be higher or lower, perhaps substantially, than those projected.

Closing Apportionments

At the closing of title to each Unit, Sponsor and the Purchaser shall apportion, as of midnight of the day preceding the Unit Closing Date:

(a) rent, if any, due from Purchaser for the month in which the closing occurs;

(b) Common Charges for the month in which the closing occurs;

(c) real estate taxes and assessments, if any (including water charges and sewer rents if separately assessed), on the basis of the period for which they are assessed. If the Units have not been separately assessed for such period, the Purchaser will pay his share of said payments in proportion to said Purchaser's interest in the Common Elements.

If Units have not been separately assessed for real estate tax purposes (including water charges and sewer rates, if any) prior to the First Closing, the Sponsor shall place, in a special escrow account on behalf of the Board of Managers, an account estimated to be sufficient to pay real estate taxes for the entire Property for half of the tax year following the half of the tax year in which the First Closing occurs (the "Half Tax Year"). The Board of Managers will pay out of such escrow account the real estate taxes, as and when same become due and payable.

At the closing of each Unit, the Managing Agent, on behalf of the Board of Managers, will collect from each Purchaser a sum reasonably estimated to pay the real estate taxes for the Half Tax Year. Such sums shall be held in a separate escrow account by the Board of Managers pending payment of such real estate taxes. Upon the payment of such real estate taxes, the Board of Managers will promptly reimburse the Sponsor for the sum deposited in escrow by it for the Half Tax Year in an amount equal to the proportionate share of the real estate taxes allocable to the Units for which title has closed prior to the Half Tax Year.

If, the Board of Managers reasonably believes that more than one half of a tax year may elapse before the Units are individually assessed, the Board of Managers shall collect monthly escrow deposits from the Unit Owners or their Lenders, if any, of their proportionate share (based on Common Interest) of the estimated tax bill for the entire Property at the tax rate announced for the applicable period or higher rate, reasonably taking into account a possible tax increase for such subsequent period. Real estate taxes shall be paid out of such escrow deposits and the Board shall bill each Unit Owner for his proportionate share of such taxes if the escrow deposits were insufficient to pay the actual amount of the taxes, or shall reimburse the Unit Owners also on a

proportionate basis if the actual real estate taxes were less than the escrow deposits collected. Until separate tax bills are issued for each Unit, each Unit Owner will make payments to the Board of Managers for his proportionate share (based on Common Interest) of the real estate tax allocable to his respective Unit (in accordance with the foregoing), and the Board of Managers will have a lien on each Unit for non-payment thereof, as if such charges were Common Charges. At such time as the Unit is separately assessed, the Unit Owner will pay taxes directly to the taxing authority, or, in the event that the Unit is mortgaged, the Unit Owner may be required to make escrow deposits for real estate taxes to his lender who shall pay such taxes.

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

(a) employees' wages, vacation and severance pay, pension and welfare benefits and all other payments or obligation relative to all employees of the Building;

(b) fees for assignable permits and license, if any;

(c) cost of fuel;

(d) charges for electricity, gas and other utilities for the Common Elements;

(e) payments under assignable service and maintenance contracts and concession agreements, if any;

(f) water and sewer charges;

(g) senior citizens' exemptions, if any;

(h) premiums for transferable insurance policies;

(i) vault charges, if any;

(j) cost of supplies on hand, at Sponsor's cost, plus sales tax; and

(k) All other items customarily adjusted for when selling residential real estate in New York County.

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 otherwise provided herein. Any errors or omissions in computing apportionments set forth in this Section shall be corrected and payments made to the proper party promptly after discovery. This provision will survive the applicable closing of title.

RIGHTS AND OBLIGATION OF THE SPONSOR

No bond or other security has been furnished to secure performance of the following obligations. All obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners. Upon the first conveyance of title to a Unit, Sponsor will deliver an undertaking letter to the Board of Managers obligating Sponsor to perform the following obligations:

1. Sponsor will endeavor in good faith to sell, within a reasonable period of time, the Residential Units for the prices listed on Schedule A, as such Schedule may be amended from time to time. However, Sponsor retains the unconditional right to rent rather then sell Units. Sponsor will retain the Commercial Units.

2. Sponsor will be obligated to pay off and otherwise comply with the terms of any mortgages on the Property. After the recording of the Declaration and before the First Closing, the respective mortgages will be satisfied, released, or subdivided, extended and consolidated with the individual permanent mortgage which will be placed on the Units of those Purchasers obtaining a purchase money mortgage. Any mortgage, pursuant to which Sponsor is a mortgagor, will be subordinated to the Declaration and released as to any Unit sold to a Purchaser. In addition, before the First Closing, all liens and mortgages affecting the Condominium shall be paid satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by a partial release duly recorded.

3. The Sponsor reserves the right to change the size, number and location of the Units and other improvements or Common Elements, provided such changes do not change or affect the value or percentage of Common Interest of any Unit which title has closed or for which a Purchase Agreement has been executed and is in effect, unless all affected Unit Owners consent in writing to such a change and all affected Purchasers are given the right to rescind their Purchase Agreement and to receive the return of their Downpayment together with interest thereon, if any. No such change will be made other than pursuant to a duly filed amendment to the Plan and to the Declaration in the event the Declaration was recorded prior to such change. The Sponsor reserves the right to maintain a sales office on the Property and to erect signs to be affixed to the outside of the Property indicating that Units are being sold.

It is the present intention of the Sponsor to maintain a model sales unit in the Building. Sponsor reserves the right to change that designation or to establish other model units in its sole discretion.

4. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with the operation and maintenance of the Building, and Sponsor will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such

costs or expenses are incurred or are in connection with the sale of all of the Units held or owned by the Sponsor and will pay all selling expenses including, but not limited to, advertising and printing costs, architect fees, attorney fees, and costs of filing this Plan amendments thereto.

5. Sponsor has no obligation to defend any suits or to indemnify the Board of Managers or any Unit Owners arising out of any act or occurrence occurring prior to the recording of the Declaration, except claims arising out of the acts, omissions or representations of the Sponsor.

6. All representations under the Plan, all obligation pursuant to the General Business Law, and such additional obligations under the Plan which are to be performed subsequent to the closing date, will survive delivery of the deed.

7. The Sponsor will cause the Board of Managers to maintain the Property until the Sponsor no longer controls the Board of Managers.

8. Until title to all Units is passed to bona fide Purchasers, Sponsor will pay its Common Charges, special assessments as are assessed by the Board of Managers and real estate taxes with respect to all Unsold Units. Sponsor has the financial resources to meet its obligations with respect to the Unsold Units and will fund its financial obligations to the Condominium through the sale of Units. No bond or other security has been furnished to secure Sponsor's obligations as disclosed in the "Special Risk" section of the Plan.

9. The Sponsor will initially procure for the Condominium fire and casualty insurance on the terms set forth in Schedule B of the Plan. The amount of fire insurance to be maintained on the Building upon the first transfer of title to a Unit, and until the first meeting of Unit Owners will be in the amount shown in the notes to Schedule B.

10. Pursuant to Section 352-e (9) of the General Business Law, copies of all documents mentioned in this Plan, are and will be kept on file at the office of the Sponsor set forth on the cover page of this Plan, as may be changed from time to time.

11. No bond or other security has been posted to secure the Sponsor's obligations under this Plan. The ability of the Sponsor to perform its obligations hereunder will depend upon its financial condition at the time it is called upon to perform. Except as provided above, no representation is being made that Sponsor will be financially able to perform any or all of its obligations. However, as of the date hereof, Sponsor has the financial resources to meet its obligations with respect to Unsold Units. The Sponsor's liability is limited to its net proceeds from the sale of Units, provided that such limitation shall not apply to any violation of Article 23-A of the General Business Law.

12. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerance that the floor plans filed with the recording of the Declaration are an accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the

issuance of permits for the construction of buildings.

13. In event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more Units or of twenty (20%) percent or more of the total number of Residential Units in the Condominium, whichever is less, principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for the Residential Units under the Plan, applicable laws or regulations.

14. Sponsor has obtained construction financing through HSBC Bank USA ("HSBC"), 452 Fifth Avenue, New York, New York 10018 and has in connection therewith granted HSBC a mortgage encumbering the Property as security for the repayment of the HSBC debt (the "HSBC Debt"). For so long as the HSBC Debt shall remain unsatisfied and of record, Sponsor has agreed not to do any of the following, without first obtaining the prior written consent of HSBC in each instance: (a) amend the condominium documents, other than price increase amendments; (b) abandon or materially change its plan for submission of the property to the condominium form of ownership; or (c) enter into any purchase agreement unless: the same is a bona fide, unconditional contract in the form included herein, the purchaser thereunder is an unaffiliated third party, provided however, that a principal of Sponsor may purchase one or more Units and the Plan shall have been accepted by the New York State Department of Law.

15. The Sponsor shall build and complete the Condominium in accordance with the building plans and specifications identified in the Plan. The Sponsor may substitute equipment or materials or make modifications of layout or design, provided, however, that Sponsor may not:

(i) substitute equipment or materials of lesser quality or design; or

(ii) change the size, location of Units or other improvements or Common Elements if such changes affect the percentage of Common Interests or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change.

16. Notwithstanding Sponsor's obligation to correct original defects resulting from improper construction of the Units and Common Elements in violation of applicable building codes, Sponsor assumes no responsibility and will not be liable to repair to replace any of the following:

a. any condition resulting from normal wear and tear or natural deterioration or from the normal movement, settlement and shrinkage of the Building and/or Building materials; or

b. defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements,

protruding dry wall fastening, ridging on gypsum board, lumber shrinkage, door or window sticking due to weather, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, slight scratches in plastic laminate, vitreous china, stainless steel, tile, porcelain or stone surfaces, bathroom finish, grouting, adjustment of bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor;

c. normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the Building;

d. deviations in the level of ceilings, and imperfections in ceiling finishes;

e. imperfections in painting finishes;

f. variations and imperfections in floor stains or finishes;

g. deviations in the level of a floor, or buckling, sinking, gapping or spacing due to expansion or shrinkage;

h. alignment of bathroom finishes and variation in grouting thickness;

i. air infiltration and water infiltration from windows in accordance with the Architectural Aluminum Manufacturers Condominium Standard A-Z;

j. noise and vibration from normal plumbing, heating, ventilating, air conditioning and elevator operation, including boiler, water heaters, elevators machine room and other equipment;

k. floor noises and creaking;

l. carpet or floor discoloring or stretching;

m. variations in width, length, thickness, finish or color range of wood flooring;

n. minor chips, scratches, mars, dents, cracks, imperfections, other defects in windows, window glass, frames and hardware, sliding glass doors, frames, door glass and hardware, louvers, shower doors, lighting fixtures, lenses, baffles and globes, all painted surfaces, all sinks, tubs, basins, water closets, kitchen cabinets, back splashes and counter tops, vanity tops and cabinets, all tile, stone or marble floors, saddles, all appliances, woodwork, millwork and

doors, mirrors, all hardware, appliance cabinets, ceilings and flooring;

o. after the Unit Closing Date, paint touch-ups, repair dented appliances, or replace light bulbs;

p. variations in tone or color or marble or stone or variations in tone or color of vanity tops or countertops or other marble or stone surfaces;

q. leaching or color variation in exterior color mortar and colored brick, and dimensional variation in brick joints, and mortar droppings on bricks and window surfaces;

r. ponding and/or controlled drainage on the roof or terrace surface;

s. television, radio or other telecommunications reception;

t. discoloration to hardware and plumbing finishes;

u. stains, runs, lumps, shags, or imperfections in weave in fabric panels;

v. terrace pavers not laid flat, or color variation in pavers, or stained pavers;

w. any other imperfection or defect, except as expressly warranted pursuant to this Plan.

Sponsor shall have discharged its obligation to repair abnormal scratches in title, stone, wood, marble, plastic, laminate, vitreous china, porcelain and stainless steel surfaces by filing or refinishing and Sponsor shall not be obligated to replace such surfaces.

17. Prior to the First Unit Closing, Sponsor must obtain a temporary, partial or permanent Certificate of Occupancy for the Unit or the Building. Sponsor must obtain the permanent Certificate of Occupancy before the partial or temporary Certificate of Occupancy expires, unless extended.

18. All alteration and improvements to the common areas and public portions of the Building may not be substantially completed before the First Unit Closing.

19. If the First Unit Closing takes place prior to the issuance of a permanent Certificate of Occupancy for the property:

(i) Sponsor is required to maintain all deposits and funds in the special escrow account required by GBL Section 352-(2-b) unless the Sponsor's engineer, architect or other qualified expert certifies that a lesser amount will be

reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy, in which case the sum exceeding the amount so certified by the Sponsor's engineer, architect or other qualified expert may be released from the special escrow account. Alternatively, the Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Departmental of Law to cover the costs reasonable necessary to complete the work needed to obtain a permanent Certificate of Occupancy.

(ii) Notwithstanding subparagraph (i) above, if the Plan is subject to the provision of GBL Section 352-ee, Sponsor is required to maintain all deposits and funds in the special escrow account required by GBL Section 352-3 (2-b) unless the Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete all alterations and improvements to the public portions and common areas of the Building. In such case the sum exceeding the amount so certified by the Sponsor's engineer or architect may be released from the special escrow account. Alternatively, Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Department of Law to cover the costs reasonably necessary to complete all alterations and improvements to the public portions and commercial areas of the Building.

20. At or prior to the closing of a Unit, Sponsor shall assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit and assign any warranties with respect to equipment and appliances installed in the Common Elements to the Board of Managers.

21. Sponsor agrees to pay for the authorized and proper work involved in the construction and establishment and sale of the Condominium that Sponsor is obligated to complete under the Plan and Sponsor will cause all mechanics liens with respect to such construction to be promptly discharged or bonded.

22. Upon completion of all work the Sponsor shall deliver a set of "as-built" plans to the Board of Managers.

23. No bond or other security has been furnished to secure Sponsor's obligations including Sponsor's obligations to complete construction of the Condominium.

Unsold Units

The Sponsor may offer all or any Unsold Units for sale or lease after filing of the Declaration without first offering such Unit to the Board of Managers. Purchasers of any leased Unit will be purchasing Units that have been previously occupied. Sponsor will pay its Common Charges with respect to Unsold Units.

CONTROL BY SPONSOR

The Sponsor, as owner of the Unsold Units, will have voting control of the Board of Managers until the earlier of (i) five (5) years from date of the First Closing or (ii) conveyance of title to Units representing ninety (90%) percent of the Residential Common Interests. The Sponsor, during this interim control period, thus will have control of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Unit Owners, including the Sponsor and the enforcement of the Sponsor's obligations. However, during such control period, the Sponsor will not decrease the services set forth in the Estimate of Income and Expenses (Schedule B) of this Plan without the consent of a majority of all Unit Owners (other than Sponsor voting as a Unit Owner) present at duly called meeting of the Unit Owners. See also the section of this Plan entitled "Rights and Obligations of Unit Owners."

The first Board of Managers of the Condominium will consist of three (3) members to be designated by the Sponsor and who may be officers and employees of the Sponsor. The Sponsor shall retain the right to substitute other persons in the place of the first Board of Managers as set forth below. Within sixty (60) days of the First Closing, the Sponsor shall call a Unit Owners meeting at which time a new Board of Managers shall be elected to consist of seven (7) members, subject to the Sponsor's designation rights set forth below. The period prior to the fifth anniversary of the First Closing or the date by which Sponsor has sold Units representing ninety (90%) of the Residential Common Interests is referred to as the "Initial Control Period."

During the Initial Control Period, Sponsor or its designee will have the right to designate four (4) members of the Board (regardless of the number of votes Sponsor has the right to cast). After the earlier of (i) five (5) years after the conveyance of the First Unit or (ii) conveyance of the title to Units representing ninety (90%) percent of the Residential Common Interests, Sponsor or its designee shall have the right to designate three (3) members of the Board for so long as the Common Interests attributable to any Unsold Units owned by Sponsor or its designee equals in the aggregate, thirty-five (35%) percent or more of the Residential Common Interests; and Sponsor or its designee shall have the right to designate two (2) members of the Board for as long as the Common Interests attributable to any Unsold Units owned by Sponsor or its designee equals in the aggregate fifteen (15%) percent or more of the Residential Common Interests; and Sponsor or its designee shall have the right to designate one (1) member of the Board, for as long as Sponsor or its designee shall own Unsold Units with any Residential Common Interest attributable thereto. The owners of Commercial Unit A and Commercial Unit B shall each be entitled to designate one (1) member of the Board of Managers unless those Commercial Units is/are owned by the Sponsor and

the Sponsor is then entitled to designate members of the Board, in which the case Sponsor shall not be entitled to designate a majority of the members to the Board of Managers after the termination of the Initial Control Period by virtue of Sponsor's ownership of one or more Commercial Units. Notwithstanding the foregoing, Sponsor shall have the right to vote all of the Common Interests attributable to the Units owned by Sponsor in Sponsor's sole discretion.

Members of the Board of Managers shall not be compensated for their services. Members of the Board of Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners. Officers of the Condominium may be removed with or without cause, at anytime, by the affirmative vote of a majority of the Board of Managers. While the Sponsor is in control of the Board of Managers any contract with a managing agent will include a clause that said contract can be terminated upon sixty (60) days written notice of any party.

RIGHTS AND OBLIGATION OF UNIT OWNERS

Sale or Lease of Units

Units can be sold or leased by a Unit Owner, subject to the right of first refusal of the Condominium to purchase or lease the Unit as provided in the Condominium's Declaration and By-Laws, exclusive of the Commercial Units and the Unsold Units and the restrictions contained in the mortgage encumbering the Unit, if any, and provided that the Unit Owner is not in arrears on the payment of Common Charges (except where the payment of such unpaid Common Charges is paid by the Purchaser or provided for out of the proceeds of the sale). A Purchaser is free to make a gift of his Unit to anyone during his lifetime or to devise his Unit by will or to have it pass by intestacy without any restriction. No Unit can be sold or leased without a simultaneous sale or lease of the undivided interest in the Common Elements attributable thereto.

No Unit Owner (except for the Sponsor or the owner of the Commercial Units may sell or lease their Unit without complying with the right of first refusal provisions contained in the Condominium's By-Laws, a copy of which is contained in Part II of the Plan. Any Unit Owner who receives a bona fide offer to sell or lease his Unit must give the Board of Managers of the Condominium notice of such offer. The Board will notify the Unit Owner within thirty (30) days of receipt of such notification if it intends to exercise its right of first refusal. If it elects to exercise such right, it must close within ninety (90) days after the giving of notice by the Board of Managers of its election to accept such offer. The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

Section 339-kk of the Condominium Act has been enacted to provide financial protection to condominium associations in the instance where a non-occupying unit owner defaults on his/her monetary obligations to the condominium association (a copy of Section 339-kk has been reproduced as Exhibit K). Section 339-kk provides, in part, that in the event that a non-occupying unit owner leases his/her unit to a rental tenant and then fails to make payments due to the condominium (for

a period of 60 days or longer) the condominium association can take steps to collect the amount due directly from the Unit Owner's tenant (See Exhibit J for further details).

Restrictions on Occupancy and Use

Occupancy of Residential Unit, however, may only be for residential purposes in accordance with the applicable governmental regulation. No immoral, improper, offensive or unlawful use shall be made of the Condominium nor any part thereof and all valid laws, zoning ordinances and regulation of all governmental; bodies having jurisdiction thereof shall be observed. Unit Owners, their families, employees, guests and pets shall not use or permit the use of the Units and Common Elements in any manner that would be illegal, disturbing or a nuisance to other Unit Owners. Other than the Commercial Unit Owners, no resident shall put any advertisement or posters of any kind in or in the Community without the consent of the Board of Managers. Unit Owners are prohibited from hanging garments, rugs, etc. from the windows or from the Building or from stringing clothes lines on or over the Common Elements or from using any of the Common Elements for storage. No Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of his Unit.

Mortgage of Unit by Home Owners

THE UNIT OWNER MAY MORTGAGE HIS UNIT AT ANY TIME, WITHOUT RESTRICTION, PROVIDED, HOWEVER, ALL LIENS FOR COMMON CHARGES, IF ANY, ARE PAID IN FULL AT CLOSING. ANY UNIT OWNER MAY, UPON THE RESALE OF HIS UNIT, GRANT A PURCHASE MONEY MORTGAGE TO A PURCHASER OF HIS UNIT.

Use of Residential Units

In order to provide for congenial occupancy of the Building and for the protection of the values of the Units, the By-Laws provide that the use of the Residential units shall be restricted to and be in accordance with the following provisions:

(a) The Residential Units (other than those owned by the Sponsor or a Sponsor-affiliate) shall be used for residential use only. The Sponsor or a Sponsor affiliate shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the site, to use one or more Units as models and for other promotional purposes in connection with the sale of lease of Units and to erect and maintain signs on the site; (ii) to have its employees, contractors and sales agents present on the site; and (iii) to do all things reasonably necessary or appropriate, including the use of the Common Elements or the Residential Common Elements, to sell or lease Units, and to complete improvements on the Property to comply with its obligations under this Plan. The Sponsor will exercise such rights in a manner consistent with the purpose and character of the Condominium.

(b) The Common Elements and the Residential Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably intended and which are

incident to the use and occupancy of Units. No Residential Unit Owner shall make any addition, alteration, improvement or change in or to any Common Elements and the Residential Common Elements without the prior written consent of the Board of Managers.

(c) No immoral, improper, offensive or unlawful use shall be made of the Property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Notices of any violation of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the respective Unit Owners or by the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

(d) Residential Unit Owners, members of their families, their employees and guests shall not use or permit the use of the Unit or any part of the Property in any manner which would be illegal or disturbing or a nuisance to other Unit Owners, or in such a way as to be injurious to the reputation of the Condominium.

(e) The Common Elements and the Residential Common Elements shall not be obstructed, littered, defaced or misused in any manner.

(f) A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary, or other entity may be occupied only by the individual, or by a designated officer, director, stockholder, or employee of such corporation, or by a designated partner or employee of such partnership, or by a fiduciary (including designated officers, directors, stockholders or employees of corporate fiduciaries), or by the beneficiary of the fiduciary, or by a principal or designated employee of such other entity, respectively, or by members of the immediate family or guests or any of the foregoing. Within thirty (30) days after a Residential Unit is acquired by other than an individual, such non-individual owner shall notify the Managing Agent of the officer, director, stockholder, partner or employee designated by such owner to occupy the Unit. The person so designated may be changed from time to time by the non-individual owner by similar written notice to the Managing Agent. However, all designees must be bona fide officers, directors, stockholders, partners or employees of non-individual owner. Rules and regulations concerning the use of the Residential Units, the Common Elements, the Residential Common Elements and the Limited Residential Common Elements may be promulgated and amended from time to time by the Board of Managers in accordance with the terms of the By-Laws. The Condominium's initial rules and regulation are included in Part II.

Use of Commercial Units

In order to provide for congenial occupancy of the Building and for the protection of the values of the Units, the By-Laws provide that the use of the Commercial Units shall be restricted to and be in accordance with the following provisions:

(a) The Commercial Units may be used for any purpose permitted by Law and any existing certificate of occupancy, provided such use is as defined in the New York City Zoning Resolution.

(d) Commercial Units Owners, their employees, clients, invitees and guests shall not use or permit the use of the Unit or any part of the Property in any manner which would be illegal or disturbing or a nuisance to other Unit Owners, or in such a way as to be injurious to the reputation of the Condominium.

(e) The Common Elements shall not be obstructed, littered, defaced or misused in any manner.

Common Charges - Assessment and Collection

The Board of Managers will prepare and furnish its budget to the Unit Owners annually. Based upon such budget and any modification thereof approved by the Board of Managers, the Unit Owners will be charged for the cost of the operation of the Condominium in accordance with their percentage interest in the Common Elements. Any special assessments will also be charged to the Unit Owners in accordance with their percentage interest in the Common Elements. The Common Charges assessments and other normal operational costs, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium.

The estimates of Condominium expenditures in Schedule B were made by the Sponsor and passed upon by Taube Mangement Corp., whom Sponsor retained as a consultant. Although the Sponsor is of the opinion that such estimates are accurate and reasonable, they are not intended and cannot be construed as an assurance of the actual expenses and are merely based upon information available at this time. Actual costs may be more or less than the amounts set forth herein.

It is presently anticipated that the Common Charges are to be used primarily to pay for fire and other casualty insurance on the Buildings and the Common Elements, public liability and property damage insurance as set forth in Schedule B of the Plan, maintenance costs, fuel costs, legal and accounting expenses, water charges and sewer rents in connection with the Building (unless same are separately assessed to individual Units), and a reserve for future contingencies. The Common Charge do not include maintenance, repairs or decoration of the interior of the Units or portions thereof, electric and gas services supplied to the Units, payments required pursuant to the terms of Units Owners' mortgages or real estate taxes covering the individual Units.

The Common Charges which will be collected monthly by the Board of Managers and other costs of maintenance of the Units are set forth on Schedule B. However, additional services which the Unit Owners may desire or other factors can increase these charges. The Board of Managers will commence the collection of the Common Charges upon the First Unit Closing or at such subsequent date as in its sole discretion it may determine. The Board's assessment of Common Charges will be in an amount no greater than necessary to carry out the duties of the Board of Managers as set

forth in this Plan. Such Common Charges shall be paid by the Unit Owners and the Sponsor, as owner of the Unsold Units, in accordance with the percentage of Common Interest allocated to each Unit set forth herein. Sponsor shall be liable for monthly Common Charges attributable to Unsold Units, title to which has not been transferred to a bona fide Purchaser, commencing with the First Closing. The Common Charges will be placed in an account in the name of the Board of Managers in HSBC Bank USA, 415 Madison Avenue, New York, New York 10022.

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

Unsold Units and Common Charges Applicable Thereto

Sponsor will be responsible for and will pay the Common Charges, special assessments as are assessed by the Board of Managers and real estate taxes to all Unsold Units until sold. No bond or other security will be posted by the Sponsor for this obligation (as disclosed in the "Special Risk" section of the Plan) and its ability to perform will depend upon its financial condition at the time it is called upon to perform. If Sponsor is unable to perform, this Plan will be amended, sales will cease and rescission will be offered to all of the Purchasers under contract with the Sponsor. If the Sponsor fails to pay Common Charges for the Unsold Units, the Board of Managers will have the same rights and remedies against it as against any other defaulting Unit Owner, but the non-defaulting Unit Owners may be required to pay additional monies to cover any resulting deficit. Sponsor has the financial resources to meet its obligation with respect to the Unsold Units and will fund its financial obligations to the Condominium through the sale of Units.

Liens for the Non-Payment of Common Charges

Under Section 339-Z of the Real Property Law of the State of New York, the Board of Managers shall have a lien against each Unit for its unpaid Common Charges and legal interest thereon, prior to all other liens except liens for the payment of taxes and all sums unpaid on any permitted first mortgage of record. The lien shall continue in force even after resale of a Unit except that the Board shall, in accordance with the Declaration, release the lien and right to collect unpaid Common Charges against any Purchaser of a Unit where such purchase arises out of a foreclosure of an institutional mortgage. In accordance with Section 339-aa of the Real Property Law of the State of New York the Board of Managers may foreclosure the lien in the same manner as a mortgage on real property and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees. In any such foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Unit for any period prior to a sale pursuant to a judgement of foreclosure and sale, and the Board of Managers shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of the Unit Owners, shall have the power unless

prohibited by the By-Laws, to bid at the foreclosure sale, and to acquire and hold, lease, mortgage and convey same. The Board of Managers shall also have the right to commence a plenary action to recover unpaid Common Charges, however, the commencement of such an action shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pending of the suit to recover a money judgment.

The liability of each Unit Owner for the payment of Common Charges thereafter assessed against his Unit shall terminate upon a sale, transfer or conveyance of such Unit in accordance with the provisions of the Declaration and By-Laws. Further, any Unit Owner may convey his Unit to the Board of Managers or its nominee, on behalf of all other Unit Owners, without any compensation and in accordance with the Declaration and By-laws, and in such event he shall be exempt from any Common Charges thereafter assessed, but not relieved of his obligation to pay his mortgage. However, a Unit Owner may not exempt himself from liability for his Common Charges by waiver of the use of enjoyment of any of the Common Elements or by abandonment of his Unit.

Upon a resale, the Purchaser of a Unit shall be liable for the payment of unpaid Common Charges assessed against such Unit prior to the acquisition of such Unit by the Purchaser, except that a mortgagee who acquires title to a Unit or a purchaser at a foreclosure sale shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the acquisition of title to such Unit by the mortgagee or purchaser at a foreclosure sale. In such event and in the event of a foreclosure by the Board of Managers of its lien on any Unit for unpaid Common Charges where the proceeds of the foreclosure sale are not sufficient for the payment of such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense.

Repairs, Alterations and Improvements to Units

The Unit Owner can make any interior alterations improvements to the Unit he desires without obtaining the consent of the Condominium so long as such alterations or improvements do not affect the Building or its structural systems or any other Common Elements, Residential Common Elements or Limited Residential Common Element. In the event such alterations or improvements affect the structural soundness of the Building in which the Unit is located, the Unit Owner must first obtain the written consent of the Board of Managers. Consent may be requested by mailing a letter certified mail, receipt requested to the Managing Agent, if any, or to the President of the Board of Managers, if no Managing Agent is employed. The Board of Managers shall have the obligation to answer the request to make such structural alterations within sixty (60) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

No additional enclosed area can be built as-of-right on the building terraces and any additional roof terrace construction, including any terrace paving, plumbing work, electrical work, or terrace structure, shall require the approval of the New York City Department of Buildings and may require the New York City Landmarks Preservation Commission. Unit Owners should also

be aware that any application they may file in order to obtain the right to build on the building terraces, may or may not be contested by the Board of Managers.

In the event the Board grants its permission to a Unit Owner's alteration request, pursuant to the By-Laws, the Board may regulate the alteration process, including but not limited to: (i) the hours during which work is permitted; (ii) the manner in which construction debris will be handled; (iii) measures which must be taken to prevent compromising the security of the building during construction; (iv) the interruption of services during construction; and (v) the contractor liability insurance requirements.

Notwithstanding the foregoing, the Sponsor, for so long as it is the owner of any Residential Units may, if not prohibited by law, and without the consent or approval of the Board of Managers, make alternations, additions or improvements, structural and non-structural, interior and exterior, in, to and upon the Unsold Units and Limited Residential Common Elements (if any) (including without limitation, the removal of walls, floors, ceilings, and other structural portions of the Building and the enlargement of the existing apartments), provided, however, that it shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction thereof and shall agree to hold the Board of Managers harmless from any liability arising therefrom.

Except as may be provided to the contrary in this Plan, the By-Laws or in Section 339 (i) of the Real Property Law, the Board, Managing Agent, other Unit Owners, or representatives of holders of mortgages encumbering Units shall not have the right to approve (a) non-structural alterations, additions, improvements or repairs in or to any Unit owned by the Sponsor or is appurtenant Limited Residential Common Elements made by Sponsor or its designee, interior or exterior, or (b) any subdivision, combination or change in the boundary walls of any Units owned by the Sponsor or its designee. See the section of the Plan entitled "Alterations, Additions, Improvements or Repairs in and to the Units and the Limited Residential Common Elements" for further discussion as to Unsold Units. Sponsor may make structural or extraordinary interior or exterior alterations, additions, improvements or repairs in or to any Unsold Units or the appurtenant Limited Residential Common Elements without the written consent of the Board of Managers.

At the request of Sponsor (or its designee), the Board will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such addition, alteration, improvement, or repair proposed to be made to any Unit owned by the Sponsor (or their Limited Residential Common Elements), or to the Common Elements or the Residential Common Elements (as the case may be), at which time Sponsor (or its designee) shall indemnify and hold the Board and the Unit Owners harmless from any expense or liability by virtue of the execution of the application or such other documents.

All maintenance to the Units including electrical repairs, plumbing stoppages, window cleaning, painting and decorating (expect painting or cleaning of the exterior surface of windows and doors which open from a Unit, which are performed by the Board of Managers) repairs and replacements to the Unit including windows and doors (including all glass breakage) and repairs to

pipes, wires, and conduits located in and servicing the same Units other than as set forth herein shall be made by the respective Unit Owners at their own expense. Repairs to Common Elements shall be the responsibility of the Board of Managers and the cost of such repairs shall be a Common Expense. Repairs to Residential Common Elements shall be the responsibility of the Board of Managers and the cost of such repairs shall be a Common Expense to all Residential Unit Owners. Notwithstanding the foregoing, each Unit Owner will be responsible for the maintenance of the Limited Residential Common Elements appurtenant to his/her Unit.

In the event that the Unit Owner fails to make any repair or creates any condition which affects the Building, the Common Elements or Residential Common Elements or any other Unit, the Board of Managers, may, upon notice given in accordance with the provisions of the By-Laws, make such repair or correct such condition and charge the Unit Owner for the cost of such service. In the event it becomes necessary for the Board of Managers to make such repair or correct such condition or to collect any sum due on account thereof, the Board of Managers shall also be entitled to collect reasonable attorney's fees in connection with such suit or proceeding.

Notwithstanding the foregoing, all maintenance, repairs and replacements to the Common Elements or Residential Common Elements, whether structural or non-structural, ordinary or extraordinary, that are necessitated by the negligence, misuse, or abuse of a Unit Owner, will be made by the Board of Managers at the Unit Owner's sole cost and expense.

The By-Laws require that each Unit, all Limited Residential Common Elements appurtenant thereto and all portions of the Common Elements be maintained in first-class condition (and with respect to any 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. The By-Laws further require that those public or other areas of the Building that are exposed to public view (whether the same are required to be maintained by a Unit Owner or by the Board) be maintained in good appearance in conformity with the dignity and character of the Building by such Unit Owner or the Board, as the case may be. In the event that any Unit Owner fails to keep his Unit or its appurtenant Limited Residential Common Elements in such condition, the Board may, at the expense of such Unit Owner, enter his Unit or its appurtenant Limited Residential Common Elements to perform such acts as are necessary to cure such default. See "Right of Access" below for a further discussion.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Building, including all of the Units (but not including furniture, furnishings or other personal property supplied or installed by Unit Owners), covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building (based on an agreed amount). Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Unit,

which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. Schedule B to this Plan sets forth the amount of coverage which will be procured during the first year of Condominium operation.

In addition to the insurance set forth herein, the Purchaser may desire to insure his personal effects and the interior of the Unit itself for fire and liability. Such insurance, if taken by the Purchaser, will be payable by the Purchaser directly.

The proceeds of all policies of physical damage insurance carried by the Board shall be payable to the Board of Managers in the event of a loss amounting to $100,000.00 or less, and to the Insurance Trustee if the loss shall amount to more than $100,000.00 to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners, as hereinafter set forth.

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

The amount of fire insurance to be maintained on the Condominium until the first meeting of the Board of Managers, following the first annual meeting of Unit Owners, will be in the amount of at lease $10,000.00. The Board of Managers shall review the amount of fire insurance annually. Although there is no requirement for annual appraisals to ascertain whether the insurance coverage is adequate, such appraisals are required prior to renewal of any fire policy. See Schedule B for the estimated insurance costs of the Condominium.

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

The Condominium insurance coverage does not cover fire and liability insurance for the Purchaser's personal effects and interior of the Unit. Purchasers are advised to secure such coverage.

The public liability insurance policy to be maintained until the first meeting of the Board of Managers, following the first annual meeting of the Unit Owners, will be a limit of $1,000,000 per occurrence, $2,000,000 in the aggregate, covering all claims for bodily injury and for property damage arising out of any one occurrence in the Common Elements. The insurance the Sponsor will initially procure for the Condominium will also contain officers and directors liability and fidelity and bond insurance.

The Board will arrange for repair of the Units in the event of casualty loss. In the event the insurance proceeds are not sufficient to covert the costs for repairs to Units, the balance of the cost of such repairs will be assessed against all Unit Owners. For further provisions regarding repair or reconstruction of Units, after fire or casualty and condemnation provisions see the Condominium's By-Laws contained in Part II of the Plan. In the event of a casualty loss, the Unit Owner will continue to pay the Common Charges on his Unit.

A New York bank or trust company will be designated as Insurance Trustee by the Board of Managers. In the event that the Insurance Trustee shall resign, the new Insurance Trustee, designated by the Board of Managers, shall also be a bank or trust company in the State of New York. The Insurance Trustee shall hold all proceeds of insurance policies in accordance with Section 254(4) of the Real Property Law.

The cost of all insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense. The Board of Managers shall also obtain and maintain, to the extent obtainable: (1) fidelity insurance covering all employees of the Condominium who handle Condominium funds (in no event less than $100,000.00); (2) Workers' Compensation insurance; (3) Boiler and Machinery Insurance; (4) Elevator Collision Insurance; (5) Director and Officer Liability Insurance; and (6) in order to limit the liability of Unit Owners for personal injury and tort, public liability insurance covering each member of the Board of Managers and each Unit Owner, in such limits as the Board of Managers may deem proper. the Board of Managers shall review such limits once each year.

Access by Board of Managers

The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the Common Elements and Limited Common Elements, including the roofs, terraces and cellar areas, for the purpose of carrying out any of its obligations under this Plan, the Declaration and By-Laws.

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

Ownership of a Unit in the Condominium subjects the Unit Owner to compliance with the provisions of the Declaration and By-Laws as well as any rules and regulations contained in the Declaration or By-Laws or established by the Condominium in accordance therewith. The rule and regulations set forth in the Declaration and By-Laws can be found in Part II of the Plan. The Board of Managers can institute legal actions to enforce compliance with the provisions of the Declaration and By-Laws as well as the rules and regulations, if any established therewith.

The provision of the Declaration and By-Laws that requires written consent of the Board of Managers prior to a Unit Owner making an alteration that would impair the structural soundness of the Buildings does not apply to the Sponsor.

The provisions of the By-Laws which requires members of the Board of Managers to be Unit Owners, adult family members of Unit Owners, employees or partners of a partnership owning a Unit or a mortgage covering a Unit, shareholders, officers, directors or employees of corporate owners or employees or fiduciaries who are owners or mortgagees of Units, will not apply to the first Board of Managers or to the members designated by Sponsor or Sponsor's designee.

Other Liens

There are no other liens or encumbrances on the Unit or Common Elements other than the lien for non-payment of Common Charges and unpaid real estate taxes, the lien of a first mortgage which arises if the Purchaser obtains a first mortgage on his Unit and the liens and encumbrances set forth in the section of the Plan entitled "Closing of Title to Units."

The Commercial Unit Owners

The owners of Commercial Units A and B shall each be entitled to designate one (1) member of the Board of Managers. The Commercial Unit Owners' consent shall be required for (i) a voluntary discontinuation of the Condominium, (ii) an amendment to the Declaration or By-Laws which would impact the rights of the Commercial Unit Owners, change the uses permitted in the Commercial Units, or deprives the owners of Commercial Units A and B the right to designate a Board member, or (iii) a reallocation or alteration of the Common Elements which would affect access to or the size of the Commercial Units.

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

Primary responsibility for operating the Condominium rests with the Board of Managers who are elected by the Unit Owners. The form of the By-Laws and the Declaration of Condominium referred to in the Plan appear in Part II.

The following is a summary of certain provisions of the Declaration and By-Laws.

Board of Managers

The affairs of the Condominium shall be governed by a Board of Managers (the "Board). The first Board shall consist of three (3) Managers designated by the Sponsor. Thereafter, the Board of Managers shall consist of seven (7) Managers.

All members of the Board of Managers (other than the designees of Sponsor) shall be Unit Owners, adult family members of Unit Owners, employees or partners of a partnership owning a Unit or a mortgagee having a mortgage secured by a Unit, shareholders, officers, directors or employees of corporate owners or employees or fiduciaries who are owners or mortgagees of Units. Members of the Board of Managers do not have to be owner-occupants or members of an Owner-Occupant's household.

At all meeting of Unit Owners, each Unit Owners shall entitled to cast the votes appurtenant to such Unit based on the percentage of Common Elements attributable to the Unit. See the Section of the Plan entitled "Control by Sponsor" as to the Sponsor's initial control of the Board. Each member of the Board of Managers shall serve for a one-year term and shall be elected annually. To insure the Sponsor minium representation of the Board after it turns over control (i.e., upon the earlier to occur of (i) five (5) years from the date of the First Closing, or (ii) conveyance of title to ninety (90%) percent of the Residential Common Interest) of the Board to the Unit Owners, the Sponsor shall have the following designation powers. So long as Sponsor continues to own Units representing at least thirty (35%) percent of the Residential Common Interest Sponsor shall be entitled to designate three (3) members of the Board. So long as Sponsor continues to own Units representing fifteen (15%) percent of the Residential Common Interest, Sponsor shall be entitled to designate two (2) members of the Board. So long as Sponsor continues to own Units representing any Residential Common Interests Sponsor shall be entitled to designate one (1) member to the Board. The owner of Commercial Unit A and Commercial Unit B shall be entitled to designate one (1) member of the Board of Managers, unless either or both of these Commercial Units continue to be owned by Sponsor after the expiration of the Initial Control Period and the Sponsor would by virtue of such ownership be entitled to designate a majority of the members to be elected in which event Sponsor will not exercise its designation powers to designate a majority of the Board. Notwithstanding the foregoing, Sponsor and the owners of Commercial Unit A and Commercial Unit B shall have the right to vote all of the Common Interests attributable to their Units in their sole discretion.

Removal of Members of the Board of Managers

Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners. No manager other than a member of the first Board of Managers or the Sponsor's designees or nominees shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner.

Powers and Duties of Board of Managers

The powers and duties of the Board of Managers include, but are not limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses, payable in advance;

2. To collect, use, and expend the assessments collected to maintain, care for and preserve the Units, Building, and other Common Elements;

3. To make repairs, restore or alter any Unit or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

4. To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owners as possible in connection with the maintenance, care and preservation of the Property;

5. To insure and keep insured the Common Elements and Units;

6. To make reasonable rules and regulations;

7. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners for violations of the rules and regulations, if any;

8. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters herein above set forth;

9. To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium and to levy special assessments to pay for the cost of such litigation;

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

11. To make additions, alterations, or improvements to the Common Elements of the Condominium, the cost of which addition, alteration, or improvement does not exceed $50,000.00. The Board of Managers may make additions, alterations or improvements to the Common Elements costing in excess of $50,000.00 only with the approval of the Unit Owners owning a majority of the interests in the Common Elements. While the Sponsor is in control of the Board of Managers, the Board may make additions, alterations, or improvements to the Common Elements costing in excess of $50,000.00 or enter into service or maintenance contracts the duration of which will extend more than one year after the Sponsor loses control of the Board of Managers, only with the approval of the Unit Owners owning a majority of the interests in the Common Elements, excluding the Sponsor, voting at a duly held meeting of the Unit Owners. In addition, the Sponsor must give its written approval pursuant to the requirements contained in the section of the Plan entitled "Repairs, Alterations and Improvements to Unit.". See the Section of the Plan entitled "Control By Sponsor" as to the length of the Sponsor's control.

12. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of a majority of the Unit owners as required by the Declaration of the Condominium, obtained at a meeting duly called and held for such purpose in accordance with the provisions of the By-Laws, shall be required for the borrowing of any sum in excess of $50,000.00 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owner of said Unit; and

13. To institute, with the consent of all Unit Owners, proceedings to review the real estate tax assessments of each Unit.

Liability of Board of Managers, Officers
of the Condominium and Unit Owners

In order to limit the liability of the Unit Owners, any contract, agreement or commitment made by the Board of Managers or Officers of the Condominium shall state that it is made by the Board of Managers as agent for the Unit Owners as a group only and that no member of the Board of Managers or officers of the Condominium nor individual Unit Owners shall be liable for such contract, agreement or commitment except that every Unit Owner shall be liable to the extent that his proportionate interest in the Common Elements bears to the total liability under such commitment. The Board of Managers and officers of the Condominium shall have no liability to the

Unit Owners in the management of the Condominium except for willful misconduct or bad faith and the Unit Owners shall severally indemnify all members of the Board of Managers or officers of the Condominium against any liabilities or claims arising from acts taken by a member of the Board of Managers or officers of the Condominium in accordance with his duties except acts of willful misconduct or acts made in bad faith. Such several liability of the Unit Owners shall, however, be limited to the extent that his proportionate interest in the Common Elements bears to the total liability of the Board of Managers, or officers of the Condominium.

Officers

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

The President shall be the chief executive officer of the Condominium, shall preside at all meetings, shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Board are carried into effect.

The Vice President shall take the place of the President and perform his duties whenever the President is unable to do so.

The secretary shall record all votes and the minutes of all proceedings in a minute book to be kept at the office of Condominium.

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

The treasurer shall also disburse the funds of the Condominium and shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amount paid thereon the balance remaining unpaid.

Repairs, Alterations and Improvements
to Common Elements

All maintenance, repairs and replacements to the Common Elements and the Residential Common Elements of the property including but not limited to exterior walls of the Building, roof and roof members, as well as all maintenance, repairs and replacements to any pipes, wires, conduits

and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements or in the Residential Common Elements but serve one or more Units and painting and cleaning of doors and windows which open from a Unit shall be performed by the Board of Managers and the cost thereof shall be a Common Expense to all Unit Owners as to the costs incurred in connection with the Common Elements and to all Residential Unit Owners as to the costs incurred in connection with the Residential Common Elements. All normal (non-structural) maintenance of Limited Residential Common Elements is the responsibility of the Unit Owner to whom such Limited Residential Common Element is limited in use. All repairs to the exterior of any door, fence, building, open area or other generally visible portion of the Condominium must be in conformation with the style and colors initially installed by the Sponsor. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the Common Elements. The Board of Managers shall have a right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under this Plan, the By-Laws or the Declaration.

Restoration or Reconstruction
After Fire or Other Casualty

In the event of damage to or destruction of any of the Building as a result of fire or other casualty, the Board of Managers shall arrange for the prompt repair and restoration of the Building and the Board of Managers or the Insurance Trustee shall disburse the proceed of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit Owners do not resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceeds of insurance policies shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Insurance

As described in detail in the Notes in Schedule B, the Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, elevator, water damage, vandalism and malicious mischief endorsements insuring the Building, including all of the Units (but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all heating, air-conditioning equipment and other service machinery contained therein,

covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York Standard Mortgagee Clause in favor or each mortgagee of Unit which shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provision in favor of the Board of Managers and the Insurance Trustee herein set forth; and such other insurance as the Board of Managers may determine.

See also the Section of the Plan entitled "Rights and Obligation of Unit Owners."

Reports to Unit Owners

All Unit Owners will receive within five (5) months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement certified by an independent public accountant, a statement regarding any taxable income attributable to the Unit Owners, and a notice of the holding of the annual Unit Owners meeting. All Unit Owners shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but no more often than once a month.

Amendments

The Declaration may be amended upon a vote of the Unit Owners holding more than sixty-six and two thirds (66-2/3%) percent of interest in the Common Elements attributable to the Units, held at a duly called meeting of the Unit Owners, provided however, that:

(i) No amendment shall change any Condominium parcel, nor a Unit Owner's proportionate share of the Common Charges, nor the voting rights appurtenant any Unit, unless one hundred (100%) percent of record owner(s) in number and Common Interest thereof and the first mortgagees, if any, of any, of each of these same Units agree to such change by recorded instrument.

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

(iii) No amendment shall be passed which shall impair the rights, benefits and exemptions of the Sponsor, holders of Unsold Units or the Commercial Unit Owners without the prior written consent of the Sponsor, holders of Unsold Units or Commercial Unit Owners as the case may be.

The By-Laws may be amended at any duly called Unit Owners meeting, provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by the Owners holding more than sixty-six and two thirds (66-2/3%) percent of interest in the Common Elements attributable to the Units; (3) said amendment shall be

set forth in a duly recorded amendment to the Declaration.

Units Acquired by the Board of Managers

All Units which are acquired by the Board of Managers, or its designee, shall be held by it on behalf of all Unit Owners whose respective interests shall be in proportion to the Common Interest attributed to such Unit Owners and the votes appurtenant to such Unit shall be cast by the Board of Managers or its designee at all meeting of the Unit Owners, except that the Board will not vote in any election of members of the Board.

The Board of Managers shall be authorized to purchase Units at foreclosure or other judicial sales or for the use of a superintendent and to borrow money on behalf of all Unit Owners in connection therewith; provided that, except for Units purchased in connection with a foreclosure of a lien for unpaid Common Charges or the purchase of a superintendent's unit, any purchasing and/or borrowing must first be approved by majority of the Unit Owners and provided further that the borrowing for this purpose shall require the affirmative consent of at least two-thirds of the Members of the Board of Managers (in the case of a sum in excess of $10,000.00) or at least a Majority of all Unit Owners (in the case of a sum in excess of $50,000.00).

Termination of Condominium

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

Mechanic's Liens

Under the provisions of Section 339(i) of the Real Property Law of the State of New York, 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 only against the several Units and their respective interest in the Common Elements. A lien for labor performed on or materials furnished to a Unit may be filed against the Unit of a Unit Owner who has expressly requested or consented to such labor or materials but may not be filed against the Unit of any Unit or Unit Owner who has not expressly consented to or requested the labor or materials, 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 of Managers shall constitute trust funds for the purpose of paying the cost of the labor performed or materials furnished at the request or with the consent of the Board of Managers or the Managing Agent.

Covenant Against Partition
of Common Elements

The Common Elements are not subject to partition not are they severable from the Unit except in accordance with the Real Property Law.

Reserves

The Condominium has the right to accumulate reserves for capital replacements or other general repairs of the Condominium. However, the Condominium may be taxed on any excess of income over expenses from unrelated sources. Examples or unrelated source income, includes interest earned on reserve or other invested funds.

Easements

Each Unit Owner will have an easement in common with all other Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the Common Elements, Residential Common Elements or Limited Residential Common Elements or located in other Units and servicing his Unit. Further, each Unit Owner will have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or Common Element, Residential Common Elements or Limited Residential Common Elements now existing or which may come into existence hereafter as a result of the settling of Units or repair or alteration of the Unit by the Board of Managers, after damage by fire or other casualty or as result of condemnation or eminent domain proceedings, or by reason of an alteration made by the Board to the Common Elements so that any such encroachment may remain undisturbed so long as the Unit stands. Each Unit will be subject to such encroachments and easements in favor of all other Units. The Board of Managers, its agents and employees shall have a right of access to the Units and to the Common Elements (irrespective of the restricted nature of such Common Element) to inspect, maintain or repair the Common Elements or any pipe, wire, or conduit common therein or to make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

Compliance with Rent Laws

The Board of Managers shall operate the Property at the same level of services as those supplied on the date of recording the Declaration in accordance with the New York Law, as it may apply, except for those services which, under the Declaration or the By-Laws, are the obligation of Sponsor to provide to its Units. The Board of Managers shall not impose any charge or fee against the tenants and occupants of the Residential Units owned by Sponsor or Sponsor-affiliate on account of the Residential Units owned by Sponsor or Sponsor-affiliate on account of any services provided to such tenants and occupants unless the Sponsor or Sponsor-affiliate is permitted by the Rent Laws to impose such charge or fee against such tenants or occupants. Such permitted charge or fee may be increase by the Board of Managers, but only to the extent permitted under the Law.

If, on account of the above limitation, the amount of such charges or fees collected by the Board of Managers is insufficient to cover the cost of providing such services, then such additional cost will be included in Common Charges and borne by all Unit Owners.

If the demand for the particular service is greater than the existing supply or capacity, the Board of Managers shall maintain a non-discriminatory waiting list and make the service available to Unit Owners and non-purchasing tenants on a first-come, first-served basis.

Board of Managers as Agent of Unit Owners
with Respect to Real Estate Taxes

Each Unit Owner shall designate the Board of Managers as his attorney-in-fact, which power shall be deemed coupled with an interest, to act as agent for such Unit Owner in accordance with Section 339-y of the Condominium Act to complain or apply to the board of assessment review of the assessing agency by filing a single complaint on behalf of all such Unit Owners, to commence and prosecute a special proceeding for the review of assessments or real property as an aggrieved person, and to seek administrative and judicial review of assessments. The Board of Managers may retain legal counsel on behalf of all such Unit Owners, a pro rata share of expenses, disbursements and legal fees for which charge the Board of Managers shall have a lien pursuant to Section 339-z of the Condominium Act. Notwithstanding the foregoing, the Commercial Unit Owners may or may not, at their sole discretion, elect to appoint the Board its attorney-in-fact with respect to any such tax certiorari proceedings.

Allocation of Common Interest

The Common Interest of the Condominium establishes the Unit Owner's percentage of ownership in the Common Elements and percentage of liability for the payment of Common Charges. The Common Interests were allocated to the Units pursuant to Section 339-i (1)(iv) of the Condominium Act. Each Unit Owner has the percentage of Common Interest in the Condominium set forth on Schedule A. Such allocation has been based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

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

Copies of both the Declaration and By-Laws are contained in Part II of the Plan.

REAL ESTATE TAXES

TAXES - DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The Sponsor has been advised by its counsel, Friedberg Greener Cohen, LLP, that each Residential Unit Owner will be entitled under present law to a deduction for Federal and New York State income tax purposes for the real estate taxes paid by him covering his Unit and for the interest paid by him on any mortgage covering his Unit subject to recent legislation regarding limits on the deductibility of such amounts. See the Opinion of Counsel contained following this section of the Plan. Similarly, the Sponsor has been advised by counsel that certain Unit Owners who are veterans of the United States Armed Forces may be entitled to exemptions covering part of the real estate taxes applicable to their respective Units. Sponsor's counsel's opinion is based upon the facts represented by Sponsor and neither the Sponsor nor its counsel shall be liable if it shall be held that Residential Unit Owners are not entitled to such deductions aforementioned due to changes in the applicable law, regulations or decisional law.

The Sponsor has been advised by its counsel that the Condominium may be taxed on any excess of income over expenses from unrelated sources. Further, Sponsor has been advised by its counsel that the Condominium may not be eligible for the tax exemption status under Internal Revenue Code Section 528. See the Opinion of Counsel contained following this section of the Plan. Examples of unrelated source income include interest earned on reserve and other invested funds, income from concessions and income dues or fees received from persons other than the Unit Owners. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charge.

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January 28, 2005

Paxton 350, LLC
Ciao-Di Restaurant Corp.
c/o Friedberg Greener Cohen, LLP
444 Madison Avenue, Suite 805
New York, New York 10022

Re: **88 Washington Place Condominium**

Ladies and Gentlemen:

In connection with your conversion of the premises located at and known as 88 Washington Place, New York, New York, to condominium ownership pursuant to that certain condominium offering plan submitted by you to the Department of Law for acceptance for filing (the "Plan"), 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 ("Residential Units") under the Offering Plan for 88 Washington Place (the "Plan"), and (ii) the Federal income tax treatment to the condominium association of 88 Washington Place Condominium (the "Condominium") of the assessments payable by unit owners to meet common expenses of the Condominium ("Common Charges").

In connection with rendering this opinion, we have reviewed the Plan, the schedules and exhibits thereto, the Declaration of the Condominium Plan (the "Declaration"), the By-Laws of the Condominium (the "By-Laws"), the 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 have 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 88 Washington Place Condominium 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 88 Washington Place Condominium, situated at 88 Washington Place, New York, New York. The Condominium will be comprised of Residential Units, storage units ("Storage Units"), commercial units ("Commercial Units"), and the common elements (the "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.

1. 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 in the appropriate year according to his method of accounting, subject to an overall limitation on itemized deductions as set forth in section 68 of the Code, for Federal 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 alterative 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 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. We express no opinion with respect to these items under the New York State and the New York City income tax on non-residents.

2. Common Charges

Under the Plan, the Residential Common Charges will be borne by the Residential Unit owners and assessed and collected by the Residential Board. The Commercial Common Charges will be borne by the Commercial Unit Owner(s) and assessed and collected by the Commercial Board. The General Common Charges will be determined by the Condominium Board and borne by the Unit Owners through the Residential and Commercial Boards. The Residential Common Charges, Commercial Common Charges, and the General Common Charges are hereinafter referred to as the "Common Charges." The Common Charges will be assessed 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.

Under the Code, condominium boards may elect to be treated as a "homeowners association" within the meaning of Code section 528(c) and, therefore, 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 60 percent or more of the gross income of the Condominium for the taxable year be exempt function income, that 90 percent or more of the expenditures of the Condominium for the taxable year be qualifying expenditures for the acquisition, construction, management, maintenance, and care of the association's property and that substantially all of the Units in the Condominium be used by individuals for residences. "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 for qualifying purposes. The Treasury Regulations promulgated under section 528 state that substantially all of a condominium's units will be considered as used by individuals for residences if at least 85% of the total square footage of all the units within the project is used by individuals for residential purposes. You have advised us that it is currently anticipated that less than 85% of the total square footage of all the Units in the Condominium will be used for residential purposes, thereby making it uncertain whether the Condominium will be eligible to elect tax exempt status under section 528. Absent the application of section 528, the law is uncertain as to the proper reporting and tax treatment of the income of the Condominium derived from Unit Owners ("membership income") and others ("nonmembership income") in excess of appropriate deductions and credits. It is possible that the Condominium could be viewed as an agent or conduit for Unit Owners, in which case each 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 should be treated as a separate entity, which entity may be taxable as a partnership. If the Condominium is so treated, the Unit Owners (but not the Condominium) would be subject to Federal and New York State income tax on the taxable income of the Condominium. While there is little authority on the point, the Condominium's income and expenses would likely be bifurcated between membership and investment income. Therefore, in determining the taxable income of the Condominium, the Condominium's deductions attributable to furnishing services to Unit Owners may be limited to its membership income. Certain amounts expended for the benefit of Unit Owners, and possibly rebates, if any, to Unit Owners of excess membership dues, fees or assessments, may be treated as distributions to them. In addition, the Condominium may be subject to the New York City Unincorporated Business Tax.

We express no opinion concerning (a) any Federal, New York State, or New York City tax consequences not explicitly discussed in this opinion, including, without limitation, the New York City earnings tax on non-residents, (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 local or foreign jurisdiction. Except as explicitly provided, this opinion does not address (i) tax consequences which may result with respect to any Units held in connection with a trade or business, or any Units held for purposes of investment or for the production of income, (ii) tax consequences which may result to a foreign 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 Condominium 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 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 counsel bases this opinion will not change. In no event will Sponsor, Sponsor's counsel, the Condominium, the Selling Agent, the Managing Agent or any other person be liable if at any time it is held that the Residential Unit Owners are not entitled to the income tax deductions described above.

Very truly yours,

FRIEDBERG GREENER COHEN, LLP

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May 16, 2005

Paxton 350 LLC
C/o Alan Friedberg
300 East 56th Street
New York, New York 10022

Re: 346-54 6th Avenue a/k/a 88 Washington Place
Block: 552 Lot: 5
Borough: Manhattan

Dear Sirs:

Pursuant to your request, we have reviewed the information you have furnished us regarding the conversion of the above-referenced property to a condominium.

You have advised us that the purpose of this analysis is to furnish you with a projection of the assessed valuations and an estimate of real estate taxes which would be applicable to the residential units and commercial portion of the property upon completion of conversion.

In arriving at our estimate of real estate taxes, we have considered all facts influencing market value and thus the eventual assessed valuations. Included in these factors are location, neighborhood and economic trends. In addition, we have researched and analyzed the assessed valuations of similar residential rental and condominium buildings in the Borough of Manhattan.

Assessments in New York are made on a fiscal year basis running from July 1st of any one year to the next succeeding June 30th. The status of the property on January 5th of any one year is the basis for the assessment for the fiscal year beginning July 1st of the same calendar year. The real property tax law in effect for New York City provides that when there is an increase in actual assessed valuation between one year and the next year, that increase will be phased in over a five year period. However, in the event of an increase due to new construction

or physical improvement, there is no phase in, and the amount attributable to such construction or improvement is added in its entirety to the assessment for the next succeeding tax year.

The current standard of assessment utilized by the property division of The New York City Department of Finance is to assess at 45% of value. The relevant statutes which are set forth in the real property tax law provide that the sale price of cooperative units and the sale of condominium units are not the measure of value for assessment purposes. Therefore, the selling price of the individual condominium units will not be the standard of value for assessment purposes, but it may be a factor in the apportionment of the values to the residential and locker units and the commercial units of the building.

The projections made herein and to be contained in the condominium offering plan are based upon information received and reviewed by us from the sponsor of the plan. We have been advised that the property originally consisted of two stories of commercial space, to which an additional four stories of residential space is under construction. We have been advised further that upon completion of construction, the property will contain a total of 14 residential units consisting of approximately 23,429 square feet (excluding common areas), 14 storage units consisting of approximately 555 square feet and 2 commercial units consisting of approximately 16,346 square feet.

The projected first year of the condominium's operation from January 1, 2006 through December 31, 2006 will encompass two tax years. As previously discussed, assessments in New York City are made on a fiscal year basis running from July 1st of any one year to the next succeeding June 30th. The projections made herein are based on the tentative assessments for the second half of tax year 2005/06 and on our estimates of the assessments for the first half of tax year 2006/07. Based upon information provided and the presumptions made by us, we project the real estate taxes for the entire premises for the projected first year of the condominium's operation from January 1, 2006 through December 31, 2006 to be an estimated **$490,984** (estimated average of $3,771,000 x estimated average 13.020%, see computations below). This projection is based upon *averaging* our projections of the estimated assessed valuations and estimated tax rates for tax years 2005/06 and 2006/07. The projections are based upon the following estimates:

	Tax Year 2005/06	Tax Year 2006/07
Projected Actual Assessed Valuation:	$2,605,500 (Tentative)	$4,405,500 (Estimated)
Projected Transitional Assessed Valuation:	$2,721,600 (Tentative)	$4,465,800 (Estimated)
Projected Taxable Assessed Valuation:	$2,605,500 (Tentative)	$4,405,500 (Estimated)

Please note that real estate taxes are based upon the lower of the actual assessed valuation and the transitional assessed valuation.

	Tax Year 2005/06	Tax Year 2006/07
Projected Residential Tax Rates[1]	12.582% (Estimated)	12.959% (Estimated)
Projected Commercial Tax Rates[2]	11.905% (Estimated)	12.262% (Estimated)
Projected Taxes:	$310,185 (Estimated)	$570,909 (Estimated)

The *averaging* of the foregoing projected real estate tax assessments and projected tax rates for the premises for the projected first year of the condominium's operation from January 1, 2006 through December 31, 2006 is computed as follows:

Average Projected Actual Assessed Valuation for Tax Years 2005/06 and 2006/07
$3,555,500 ($2,605,500 + $4,505,500 = 7,111,000÷ 2)

Average Projected Transitional Assessed Valuation for Tax Years 2005/06 and 2006/07
$3,593,700 ($2,721,600 + $4,465,800 = 7,187,400÷ 2)

Average Projected Taxable Assessed Valuation for Tax Years 2005/06 and 2006/07
$3,555,500 ($2,605,500 + $4,505,500 = 7,111,000÷ 2)

Average Projected Residential Tax Rate for Tax Years 2005/06 and 2006/07
12.771% (12.582% + 12.959% = 25.541% ÷ 2)

Average Projected Commercial Tax Rate for Tax Years 2005/06 and 2006/07
12.084% (11.905% + 12.262% = 24.167% ÷ 2)

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[1]Per $100 of assessed valuation, expressed herein as a percentage.

[2]Per $100 of assessed valuation, expressed herein as a percentage.

It should be noted that for the full tax year of July 1, 2006 to June 30, 2007, which is the first full tax year after the projected date of commencement of condominium operation, the projected taxable value for the entire premises is 4,671,000 and the projected taxes for the entire premises are estimated to be $570,909 ($4,405,500 x 12.959%). This amount is before allocating the real estate taxes between the residential, commercial and storage portions of the subject premises.

The New York City Department of Finance shall apportion the above values to the residential units and the commercial unit of the building once the condominium conversion has been completed. The tax assessor of The City of New York can and will take many factors into consideration in making his apportionment. Our projections are based on our experience in real estate tax matters. We have utilized actual rents and have projected increases in those rents to calculate the market values for the residential and commercial units of the property. Based on the foregoing, our projections of such apportionments are as follows:

Residential Units:	38.5312%
Commercial Units:	61.4550%
Storage Units:	.0138%

Based upon the foregoing projected apportionments, the projected taxes for the residential units of the subject premises for the projected first year of the condominium's operation from January 1, 2006 through December 31, 2006 are estimated to be $174,960 ($3,555,500 x 38.5312% = $1,369,977 x 12.771%).

It should be noted that for said first full tax year of July 1, 2006 to June 30, 2007 after commencement of condominium operation, the projected taxes for the residential units of the subject premises is estimated to be $219,978.385312 ($4,405,500 x 38.5312% = $1,697,492 x 12.959%), which is approximately 28.51% higher than the estimated taxes for the projected January 1, 2006 to December 31, 2006 first year of condominium operation.

The foregoing projection does not take into consideration two (2) potential partial tax abatement and exemption benefits currently available to qualified unit owners who meet the eligibility requirements of sections 425 and 467-a of the Real Property Tax Law of the State of New York ("RPTL").

RPTL section 467-a provides a partial tax abatement to owners of residential units held in a cooperative or condominium form of ownership. Eligible dwelling units with an average

assessed valuation of greater than $15,000[3], after deduction of any abatement received pursuant to RPTL 489 ("J-51" benefits),[4] are entitled to a 17.5% abatement of the net property taxes due. In order to qualify for these benefits under the current law, the following requirements must be met: (1) eligible units must be used primarily for residential purposes and may not be owned by sponsor or any unit owner who owns three or more units; and (2) the Board of Managers must file a complete application for the entire premises in a timely manner. **The foregoing is only for informational purposes since this statute contains a "sunset provision" which presently provides benefits through June 30, 2008. On such date, the statute and benefits expire, unless otherwise extended.** No representation is made that the statute will be extended or if it is extended, the benefits will remain the same. **Prospective purchasers of residential units should not rely upon the continuation of the benefits.**

RPTL section 425 (school tax relief (STAR) exemption) provides a partial exemption from the school tax portion of a property's assessed valuation. This exemption presently amounts to $1,710 for an eligible condominium unit located within the City of New York, assuming the unit owner is less than 65 years of age. An enhanced benefit, presently amounting to $2,850, is available to senior citizens who have a combined household income (adjusted gross income as reported on applicant's latest available federal or state income tax return) which does not exceed $60,000. The benefit is only available to units which serve as the primary residence of one or more of the owners thereof. A qualified unit owner must file an application on or before the applicable tax status date (i.e., the January 5th preceding the fiscal tax year beginning July 1st). Only those qualified purchasers who close title and timely file said application by no later than January 5, 2005 will be eligible for this benefit for the tax year beginning July 1, 2005. Those purchasers who qualify for this benefit who apply after January 5, 2005 and on or before January 5, 2006 will be eligible to receive this benefit for the July 1, 2006 to June 30, 2007 tax year.

We believe that the above projections and estimates reflect the current assessment policies of The City of New York. However, it is possible that a tax assessor may determine and allocate the assessments on a basis that differs from the assessments and allocations contained herein. The assessor may use rents substantially greater than the projected rents we used in arriving at an assessed value. In addition, the assessor may use different expenses and or different capitalization rates resulting in a different allocation of the assessments between the commercial portion and residential portion of the Property or a higher assessed value and substantially higher real estate taxes for the Property.

[3] Eligible dwelling units in a property whose average unit assessed value is less than or equal to $15,000 shall receive a partial abatement of real property taxes of 25% of the net property taxes. It is projected that the average post-construction assessed valuation per unit at the subject premises will exceed $15,000 per unit.

[4] A property receiving J-51 exemption benefits and 421a exemption benefits may not receive benefits under RPTL 467-a.

We have used the income capitalization method as well as factoring in construction costs to arrive at our projections of real estate taxes. The assessor may use these method, as well as other methods in arriving at an assessed value. We make no warranty that The New York City Department of Finance will accept any or all of the views stated above. Moreover, the New York City Tax Laws, regulations and policies, written or otherwise, may change and thereby effect, in whole or in part, the views stated above. We take no obligation to update, modify or supplement this opinion in the event of any such change in applicable law, regulations, policies or interpretations thereof.

We consent to the incorporation of this opinion as an exhibit to the Condominium Offering Plan for the subject premises.

Very truly yours,

LIPPMAN KRASNOW & KELTON LLP

RESERVE FUND

Sponsor has made no provision for the establishment of a Reserve Fund. Sponsor has elected not to provide for a Reserve Fund to be used for capital replacements or repairs because the Building, upon completion of the construction contemplated by the Sponsor, will substantially new construction or will contain mechanical systems which were replaced within the last few years. In the event that funds are needed to pay for capital improvements, the Board of Managers may either (i) impose a special Assessment on all Unit Owners either for a specific capital project or to create such a fund, as described in Section 2.4 and 2.5 of Article 2 of the By-Laws of the Condominium; and/or (ii) seek to obtain financing is available. Certain amendments to the Real Property Law enacted in 1997 may facilitate the borrowing of funds for capital improvements by condominiums, but no assurances can be given that funds will be available when sought and Sponsor makes no presentations or warranties regarding the availability or procuring of such financing at the time it may be sought. Certain limitations are placed on the Board's expenditures for capital purposes during the Initial Control Period. The Reserve Fund may not be used to make ordinary repairs or to cure violations.

WORKING CAPITAL FUND

At the first Closing the Purchasers other than the Sponsor will contribute a sum equal to two (2) month's Common Charges for the Unit to the capital of the Condominium Board as a working capital fund (the "Working Capital Fund"). The initial Working Capital Fund will be used to pay for insurance premiums and other items in the budget which will be payable prior to the time that sufficient monthly Common Charges and assessments have accrued to pay these items. Further, such Working Capital Fund (plus or minus closing adjustments) will constitute the Condominium Board's working capital and may be used for repairs and other appropriate purposes as determined by the Board of Managers. During the period of the Sponsor's control of the Board of Managers, the Working Capital Fund will not be used to reduce Common Charges. If the closing adjustments exceed the funds raised, the excess will be paid pursuant to a promissory note executed by the Board of Managers and delivered to the Sponsor at the First Unit Closing. Such promissory note will bear interest at the prime rate then announced by HSBC Bank USA and will be paid by the Condominium Board in twelve (12) equal consecutive monthly installments commencing on the first day of the second month subsequent to the First Closing. If the Condominium does not have the funds necessary to pay the note, it may be necessary to require additional Common Charges or levy a special assessment to pay off the note.

No representation is made that the Working Capital Fund will be adequate to cover current or future expenses including repairs or replacements; and if additional funds are required over and above the Working Capital Fund, it may be necessary to increase Common Charges.

THE ENTIRE PROPERTY, INCLUDING THE RESIDENTIAL UNITS AND THE FIXTURES AND APPLIANCES CONTAINED THEREIN, IS OFFERED IN ITS CURRENT CONDITION, AS SET FORTH IN THIS OFFERING PLAN. NEITHER THE DEPARTMENT OF LAW NOR ANY GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND, THE RESERVE FUND OR THE PHYSICAL CONDITION OF THE BUILDING.

MANAGEMENT AGREEMENT AND OTHER CONTRACTUAL AGREEMENTS

At prior to the First Unit Closing, the Board of Managers shall enter into a non-assignable (except to an affiliate) management agreement with Taube Management Corp., at terms which are no more expansive or restrictive to the Board of Managers other than those set forth below (the "Management Agreement"). The Management Agreement shall be for a term of two (2) years and may be cancelled for cause by either party at any time on not less than thirty (30) days written notice. After the expiration of the two (2) year term the Management Agreement may be cancelled by either party upon sixty (60) days written notice. The fee for such management services is set forth in Schedule B to this Plan.

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

(a) Billing and Collecting Common Charges;

(b) Causing the Common Elements and the Residential Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Board of Managers, except that the approval of the Board of Managers is necessary for any expenditure of over $2,500.00 for any one item of ordinary repairs or alterations (other than emergency repairs);

(c) Contracting for necessary services for the Common Elements and the Residential Common Elements (such as utility, exterminator, elevator and fuel services), but no contract shall be for a term longer than one (1) year or shall require annual payments in excess of those in effect at the time of the First Unit Closing for the same or similar services, unless authorized by the Board of Managers;

(d) Purchasing all supplies necessary to properly maintain and operate the Common Elements and the Residential Common Elements;

(e) Checking all bills received in connection with the operation of the Common Elements and the Residential Common Elements and causing all such bills and other expenses to be paid;

(f) Supervising, hiring and discharging employees;

(g) Rendering monthly statements of receipts and disbursements to the Board of Managers;

(h) Maintaining payroll records and filing the necessary forms for unemployment insurance, withholding and Social Security tax statements and other forms relating to employment of building employees;

(i) Maintaining accurate sets of books for the Condominium and orderly files of rent records, insurance policies, leases, receipted bills, Unit mortgages, and the like;

(j) Preparing and submitting to the Board of Managers, on an annual basis, operating budgets setting forth the anticipated income and expenses for the ensuing year;

(k) Sending notices, preparing agendas and attending meetings of the Board of Managers and Unit Owners and keeping minutes thereof;

(l) Collecting, without additional charge, all rents from tenants of Unsold Units owned by Sponsor, without a guarantee by the Managing Agent of the payment of rent by such tenants;

(m) Providing any repairs, services, and facilities required to be made in respect of any Unsold Unit owned by Sponsor which are required by law, regulation or order or pursuant to the terms of any lease of such Unsold Units, on a non-discriminatory basis, with the cost thereof to be promptly reimbursed to the Condominium by Sponsor; and

(n) Providing any repairs, services and facilities to be made in respect of any Unit owned by a non-occupant Purchaser which are required by any law, regulation or order or pursuant to the terms of any leases of such Unsold Units, on a non-discriminatory basis, with the cost thereof to be defrayed from the Working Capital Fund account deposited at the closing of such Unit with the Managing Agent by the non-occupant Purchaser thereof.

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

All expenses incurred by the Managing Agent in performance of its duties as Managing Agent shall be paid by the Board of Managers and charged to the Unit Owners as a Common Expense. In addition, the Board of Managers will indemnify the Managing Agent against any liability for acts properly performed by it pursuant to the management agreement or instructions of the Board of Managers or for injury to person or property not resulting from the Managing Agent's gross negligence or willful failure to comply with its obligation under the Management Agreement.

All officers and employees of the Condominium and the Managing Agent who handle funds will be bounded at all times from and after the First Unit Closing during the term of the Management Agreement under a fidelity bond in favor of the Condominium in the amount of $100,000.00 for each loss. The cost of the bond will be included in the Common Charges payable by all Unit Owners.

The Sponsor's responsibility for supervising repairs and alterations to the Common Elements and the Residential Common Elements is limited to those routine repairs and incidental alterations required in the course of the ordinary maintenance and care of the Common Elements and the Residential Common Elements. Non-emergency repairs and alterations involving an expenditure in excess of $2,500.00 for any one item will be made only with the prior approval of the Board of Managers.

IDENTITY OF PARTIES

Sponsor

The Sponsor entities are **PAXTON 350, LLC** and **CIAO-DI RESTAURANT CORPORATION**, each formed and existing under the laws of the State of New York. **PAXTON 350, LLC** has offices c/o Friedberg Greener Cohen, LLP, 444 Madison Avenue, New York, New York 10022 and **CIAO-DI RESTAURANT CORPORATION** has offices c/o Wolf Haldenstein Adler Greeman & Herz, LLP, 270 Madison Avenue, New York 10016. Ciao-Di Restaurant Corporation currently owns the entire Property. Paxton, 350 LLC joins Ciao-Di Restaurant Corporation as a Sponsor as the project developer.

Alan B. Friedberg, the Managing Member of Paxton 350, LLC, has had extensive experience in the development of residential, hotel and commercial real estate in New York City over the past forty (40) years. During such time he participated as an investor and/or developer in numerous real estate developments around New York City and vicinity, including the following developments:

(a) condominium and cooperative conversions as follows:

The Brevard Cooperative (30 stories), located at 245 East 54th Street;
The Nevada Towers Cooperative (30 stories), located at 70th Street and Broadway;
315 East 72nd Street Cooperative (21 stories);
59 West 12th Street Condominium (17 stories);
299 West 12th Street Condominium (17 stories);
302 West 12th Street Condominium (17 stories); and
45 Christopher Street Condominium (17 stories).

(b) the new condominium construction of:
The Grosvenor House Condominium (22 stories), located at 22 West 15th Street;
The Village Pointe Condominium (8 stories), located at 350 West 14th Street; and

(c) The Sherman Towers (42 stories), located at 201 West 70th Street;
The Colony (30 stories), located in Fort Lee, New Jersey; and
The Regency (12 stories) located in Allentown, PA.

Mr. Friedberg's community service and civic activities have involved service as a Board member of: the Metropolitan Transportation Authority ("MTA") (of which he is a past Board Member and currently an Honorary Member of the Board), the New York City Economic Development Corporation ("EDC"), the Traffic Safety of New York City, Inc. (of which he is currently a Board Member and Chairman) and the New York City Taxi & Limousine Disability Commission (of which he is also currently a Board Member and Chairman). He is also currently a Member of the Board of Governors of the Associated Builders and Owners of Greater New York ("ABO").

Mr. Friedberg is a graduate of New York University and was the co-founder of Charles H. Greenthal & Company, Inc., a real estate firm in New York City. The other principals of Paxton 350, LLC are David Gruber and Al Noe.

Mr. Gruber has a B.A. degree in Architectural History and a Masters degree in City Planning. He is currently president of the Carmine Street Block Association, president of the South Village Landmark Association, a member of the Zoning Committee of Community Board 2, and a member of the 6th Precinct Police Council among many other civic associations.

Mr. Gruber, who began his career at the NYC Planning Commission, has been a successful entrepreneur for many years being the founder and President of David Gruber Imports , a company with eight show rooms across America and some 3,000 employees here and abroad, owner of the Gruber Porter Gallery and head of the John Street Food Corp. which was located in Lower Manhattan.

Mr. Gruber's business was located two blocks from the World Trade Center and although he tried to keep the firm afloat, after the events of September 11, 2001, he was unable to do so. He was forced to file a chapter 7 bankruptcy on September 20, 2002, which was fully discharged on January 27, 2003.

The principals of Ciao-Di Restaurant Corp. are Yvonne Wagner, Marie D. Rainero and Marie G. Rainero. Ms. Wagner graduated from Dunbarton College of Holy Cross. She currently, along with the other principals of Ciao-Di Restaurant Corp. have numerous real estate holdings in New York City, Long Island and Florida. None of the principals of either Sponsor has made any prior public offerings nor any principal of any of them has (i) been convicted of a felony, (ii) had any prior convictions, injunctions or judgments recorded against them which would be material to this Plan, and (iii) has offered for sale any cooperatives, condominiums, planned unit development homes or time shares within the last five (5) years.

Selling Agent

The Selling Agent for this Plan is Corcoran Group Marketing, a division of The Corcoran Group, a licensed real estate brokerage firm which has an office at 490 Broadway, New York, New York 10012. The Corcoran Group has been a licensed real estate brokerage firm with the State of New York since 1973 and has 12 New York City offices. Corcoran Group Marketing's experience with new condominium projects includes: 505 Greenwich Street, Lyla at 63 West 17th Street, Vesta 17 at 201 West 17th Street, 142 West Tenth Street, and 345 West 13th Street.

There have been no prior felony convictions of Selling Agent, or any principals of Selling Agent and no prior convictions, injunctions and judgements against 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 submission of the Plan.

Managing Agent

The Managing Agent selected by Sponsor in connection with the management of the Condominium is Taube Management Corp. ("Taube"), with an address at 204 East 83rd Street, New York, New York 10028, has over ten (10) years experience in managing residential properties in the City of New York, including 15 condominium buildings. A representative sample of buildings currently managed by Taube is as follows: 303 West 80th Street, 121 Varick Street, 175 Sullivan Street and 49 East 21st Street.

Sponsors' Attorney

Friedberg Greener Cohen, LLP, 444 Madison Avenue, New York, New York 10022, has been retained by the Sponsor in connection with the preparation and consummation of the Plan, including the Declaration, By-Laws, of Purchase Agreement and unit Power of Attorney and has also rendered and opinion with respect to the availability or income tax deduction to Unit Owners. Richard N. Cohen, Esq., a partner in the firm prepared the Plan. Friedberg Greener Cohen, LLP has also been selected by the Sponsor to represent the Condominium in connection with all legal matters incident to the operation and management of the Condominium. No legal fee will be charged for such representation except for work actually performed after the formation of the Condominium. The Condominium can at any time choose to select different attorneys to represent it.

All legal matters in connection with the establishment of the Condominium, the tax opinion of counsel contained herein and the preparation of this Plan have been passed upon for the Sponsor by Friedberg Greener Cohen, LLP.

Sponsor's Real Property Tax Counsel

The law firm of Lippman Krasnow & Kelton LLP ("LKK"), has been retained by Sponsor in connection with the preparation and submission of certain tax exemption program applications. LKK has also been selected by the Sponsor to represent the Condominium in certain tax related matters. No legal fees will be charged to the Condominium for LKK's representation of the Condominium, except for work actually performed after the formation of the Condominium. The Condominium can at any time choose to select a different attorney to represent it in its tax related matters.

Sponsor's Architects

The Sponsor retained SLCE Architects to prepare and file the construction and floor plans in connection with the construction to be performed at the Building. SLCE Architects are the architect of record and have an address at 841 Broadway, New York, New York. The Sponsor has no ownership interest in SLCE Architects. The Sponsor retained SLCE Architects to prepare the Description of Property Report contained in Part II.

REPORTS TO UNIT OWNERS

The Board of Managers will provide each Unit Owner annually (i) a financial statement of the Condominium prepared by a certified public accountant; (ii) prior notice of the Unit Owners' meeting; and (iii) a copy of the proposed annual budget of the Condominium prior to the date set for adoption thereof by the Board of Managers. So long as the Sponsor shall remain in control of the Board of Managers the financial statements shall be certified by a certified public accountant and the annual budget shall be certified by a certified public accountant or qualified real estate professional.

DOCUMENTS ON FILE

All documents referred to in this Plan and all Exhibits submitted to the Department of Law in connection with the filing of this Plan shall be maintained by Sponsor for a period of six (6) years after the First Unit Closing and will be available for inspection at the Sponsor's office or such other place as may be designated by the Sponsor. Such inspection will be without charge, but will only be permitted by appointment during the Sponsor's normal business hours and only following prior written request. Interested parties will be permitted to obtain copies of documents upon reasonable written pursuant to a fee schedule commensurate with fees charged for similar services by photocopying services.

A copy of the approved building plans (indicating, among other things, the various ceiling height measurements throughout the Units) will be maintained and available for review at the office of the Sponsor's attorneys, Friedberg Greener Cohen, LLP, 444 Madison Avenue, Suite 805, New York, New York 10022.

GENERAL INFORMATION

Pending Litigation

At the date of this Plan, there is no litigation or administrative proceedings pending against the Condominium, Sponsor or any other party which would affect their ability to perform their obligations relating to this offering, or which would in any way affect this offering.

Prior Offerings

This Property has not been the subject of any prior public offerings.

Non-Discrimination

In accordance with the provisions of the laws of the State of New York, the Sponsor represents that it will not discriminate against any person because of his or her race, creed, sex, color, disability, martial status, national origin or ancestry in the sale of Units under this Plan.

Plan as Fair Summary

This Plan contains a fair summary of the pertinent provisions of the various documents referred to herein and does not knowingly omit any material fact or contain any untrue statement of a material fact relating to the offering. Any information or representation made, not contained in this Plan must not be relied upon.

The Plan may be amended at any time to time provided that, if the amendment is a material and substantial modification of the Plan which adversely affects Purchasers, then anyone who has theretofore executed a Purchase Agreement shall be given not less than fifteen (15) days after a copy of the duly filed amendment is mailed or otherwise delivered to them by written notice to the Sponsor to cancel the Purchase Agreement and to obtain a refund, in full, of the Downpayment made therewith with interest, if any. No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally.

No Contracts or Deposits

Neither Sponsor has entered into any contracts or agreements, oral or written, for the sale or transfer of any of the units offered in the plan and no deposits or advances of funds have been taken by or on behalf of either Sponsor in connection with the reservation, sale or transfer of such units, prior to submission of the plan to the Department of Law.

SPONSORS' STATEMENT OF BUILDING CONDITION

The Sponsor has retained the firm of SCLE Architects, to prepare the Description of Property and Building Condition report contained in Part II of this Plan. Sponsor has no knowledge of any material defect or need for major repairs to the Property except as set forth in said report. Currently the building's certificate of occupancy provides for commercial use, as stores and offices. Sponsor will obtain a temporary certificate of occupancy for the Building which will allow for the proposed residential uses. The temporary certificate of occupancy will be obtained prior to the First Unit Closing and the Sponsor intends to obtain the final certificate of occupancy by June, 2008.

At or prior to the First Closing, Sponsor will, to the extent required, have current inspection certificates and permits for air resources, oil storage, elevators, boiler safety and the sprinkler system, if any.

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

Dated: June 1, 2005

PAXTON 350, LLC,
Sponsor

CIAO-DI RESTAURANT CORPORATION,
Sponsor

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EXHIBIT A

PURCHASE AGREEMENT

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PURCHASE AGREEMENT

RESIDENTIAL UNIT NO. __

88 Washington Place Condominium
(to be executed in triplicate)

THIS AGREEMENT is made as of _____, _____, between Paxton 350, LLC and Ciao-Di Restaurant Corp. (collectively, the "Sponsor-Seller"), having an office _____ and _____ (the "Purchaser"), having an address at c/o Friedberg Greener Cohen LLP, 444 Madison Avenue, Suite 805, New York, New York 10022.

WITNESSETH:

1. Definitions

The following terms shall have the meanings ascribed to them:

(i) "Building" shall mean the building having a street address of 88 Washington Place Condominium, New York, New York, and any structures attached thereto.

(ii) "Closing Date", "Closing", "Closing of Title" shall mean the settle of the mutual obligations of Sponsor and Purchaser under this Purchase Agreement, including the payment to Sponsor of the Purchase Price and the delivery to Purchaser of the deed transferring full ownership to the Residential Unit.

(iii) "Condominium" shall mean the 88 Washington Place Condominium.

(iv) "Declaration" shall mean the declaration of the 88 Washington Place Condominium, establishing condominium ownership of the Property.

(v) "Plan" shall mean the Condominium Offering Plan dated _____, 2006 relating to the Property, as accepted for filing by the New York State Attorney General, Real Estate Financing Bureau, and any amendments thereto filed prior to the date upon which Purchaser signs this Agreement.

(vi) "Property" shall mean the Building and the land on which it is erected.

All other terms not defined elsewhere herein shall have the meanings ascribed to them in the Plan.

2. Plan

Purchaser acknowledges having received and read the Plan at least three (3) full business days prior to Purchaser's signing this Agreement. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the proposed Condominium Documents contained in Part II of the Plan) and, subject to any right Purchaser may have or obtain to rescind, Purchaser agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor. Any such amendments shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset or credit against the Purchase Price and may be made by Sponsor without Purchaser's consent or approval. the Plan is hereby incorporated in this Agreement with the same force and effect as if set forth at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents, and investigate all statements made herein and in the Plan

3. Agreement to Purchase and Sell

Purchaser agrees to purchase from Sponsor, and Sponsor agrees to sell to Purchaser,

the residential unit designated as Residential Unit Number __ (hereinafter called the "Unit") in the Declaration, together with its ____% undivided interest (hereinafter called the "Common Interest") in the Common Elements, on, and subject to, the terms and conditions set forth herein.

4. Purchase Price

The purchaser price ("Purchase Price") for the Unit (exclusive of closing adjustments and costs referred to below) which Purchaser agrees to pay to Sponsor is as follows:

(i) Purchase Price..... $

(ii) less 10% of the Purchase Price ("Downpayment") due on Purchaser's signing and submitting this Agreement by check subject to collection, receipt of which is hereby acknowledged..... $

(iii) balance of Purchase Price ("Balance"), due on delivery to Purchaser of the deed to the Unit which must be paid by Purchaser's unendorsed personal certified check or official cashier's check, in either event drawn on a bank that is licensed to do business in the State of New York..... $

Checks in payment of the Downpayment are to be made payable to the order of

_____ (the "Escrow Agent") Special Account. Checks in payment of the balance of the Purchase Price due at closing are to be made payable to the order of _____ or as otherwise directed by the Sponsor.

5. Purchase Monies Held in Trust

The Escrow Agent, as defined in the Plan, will hold in trust any and all monies received by it directly or through its agents, until the Unit transferred to Purchaser or this Agreement is canceled in accordance with its terms. All monies received hereunder will be deposited in an account entitled _____ (the "Bank"), at its branch office located at _____ in a special interest bearing account and shall be held in escrow at such Bank. Interest shall be payable to the Purchaser upon closing. The funds so deposited will be disbursed only in accordance with the provisions of this Agreement and the Plan and released only on the authorized signature of the Escrow Agent. In the event the Plan is abandoned or withdrawn, such escrowed monies will be returned to Purchaser except as otherwise provided in the next sentence. If at the time the Plan is abandoned or with drawn Purchaser shall be in default hereunder and shall have failed to cure such default within the applicable grace period or if this Agreement had been previously canceled due to Purchaser's uncured default, then Sponsor shall retain as and for liquidated damages the Downpayment. Any sums in excess thereof shall be returned to Purchaser within forty-five (45) days after the date of such abandonment or withdrawal.

6. Closing Contingent on Plan Being Declared Effective

A. The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance

with the prerequisites set forth in the Plan, as same may be amended form time to time. Purchaser understands and agrees that Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter in certain limited cases set forth in the Plan (see the Sections in the Plan entitled "Effective Date of the Plan" and "Closing of Title to Units" for full details). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. Sponsor shall notify Purchaser, in writing or by a duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

B. If the Plan is abandoned or does not become effective within fifteen (15) months from the date it is presented, or if after being declared effective the Plan shall not be consummated for any reason, this Agreement shall be deemed canceled and all monies paid by Purchaser hereunder, shall be disbursed in accordance with the provisions of Paragraph 5 above. After the funds are so disbursed, Purchaser and Sponsor shall be released and discharged from all liabilities and obligations hereunder and under the Plan.

7. Closing Date and Place

A. The closing of title shall occur at the offices of Sponsor's attorney on not less than thirty (30) days' prior written notice to Purchaser. Sponsor shall have the right, from time to time, to adjourn such date and time for Closing on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than five (5) business days' prior written notice of the new scheduled date and time for Closing.

B. The Closing of the Title shall occur only after or concurrently with compliance with the prerequisites set forth under the Section of the Plan entitled "Closing of Title to Units".

8. The Deed

At Closing, Sponsor shall deliver to Purchaser a Bargain and Sale Deed with covenants against grantor's acts transferring to Purchaser full ownership to the Unit. The deed shall be substantially in the form reproduced in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Such executed deed shall be delivered immediately to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Purchaser's attorney) for recording.

9. State of Title

Legal ownership to the Unit shall be transferred to Purchaser at Closing subject only to the liens, encumbrances and title conditions (hereafter called the "Permitted Encumbrances") enumerated on pages 55 to 56 of the Plan. Any other liens, encumbrances, or conditions shall not be an objective to title if: (i) the instrument required to remove it from the record is delivered to said representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for recording in the proper office, together with the requisite recording or filing fees; or (ii) Purchaser's title insurance company will insure Purchaser against its collection or enforcement out of the Unit.

10. Title Company Approval

Sponsor shall give, and Purchaser shall accept, such title as First American Title Insurance Company of New York will approve and insure, provided the only liens, encumbrances and conditions affecting title shall be the Permitted Encumbrances.

11. Sponsors Inability to Convey Title

In the event Sponsor is unable to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Sponsor will not be obligated to bring any action or

proceeding or otherwise incur any cost or expense of any nature whatsoever except as provided in the Plan to render title marketable, and in such case, if Sponsor notifies Purchaser of its refusal to remedy the defect in title and if Purchaser is not in default hereunder, Purchaser shall have the option to (i) take title subject to such title defect (without any abatement in, or credit against the Purchase Price, or claim or right of action against Sponsor for damages or otherwise) or (ii) terminate this Agreement. If Purchaser elects to terminate, Sponsor shall instruct the Escrow Agent to return to Purchaser, within ten (10) days after receipt of Purchaser's termination notice, all monies deposited hereunder. Upon making such refund, this Agreement shall be null and void and neither party shall have any further rights, obligations or liabilities with respect to the other hereunder or under the Plan. The foregoing option must be exercised by Purchaser in writing sent to Sponsor within ten (10) days after the giving of Sponsor's notice of refusal to remedy the title defect, failing which it shall be conclusively deemed that Purchaser elected the first option above to acquire title subject to the title defect.

12. Closing Adjustments

A. At Closing, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the Closing.

(i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calender year for which assessed and any escrows for real estate taxes;

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

(iii) rent and other charges, if any, pursuant to a lease for, or tenancy of, the Unit.

The "Customs in Respect of Title Closings" recommended by New York State Real Estate Board, as amended to date, shall apply to the adjustments and other matters therein mentioned, except, as otherwise provided herein.

B. In the event the Unit has not been separately assessed for the then current fiscal tax year at the time of Closing Title, the apportionment of real estate taxes shall be based on the Unit's pro-rata share (in promotion to its Common Interest) of the then current real estate taxes assessed against the Property. If the Unit has been separately assessed but the Closing occurs before the tax rate is fixed, then the apportionment of real estate taxes shall be based upon the latest tax rate applied to the most recent assessed valuation.

C. Any errors or omissions in computing apportionments at Closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the Closing for a period of one hundred and eighty (180) days.

D. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title.

E. If through no fault of Sponsor, Purchaser fails for any reason to close on the date originally scheduled for the Closing of title to the Unit (the "Original Closing Date"), then (i) the closing adjustments shall be made as of midnight preceding the Original Closing Date, (ii) Purchaser shall pay to Sponsor an amount equal to 0.03% of the Purchase Price for each starting from (and including) the Original Closing Date to (and including) the day before the actual Closing Date; and (iii) Purchaser shall reimburse Sponsor for any shortfall between the Common Charges (including any special assessments) applicable to the Unit and the rent payable by any tenant of the Unit of Sponsor (as the holder of Unsold Units) for the period from the Original Closing date until

the date of actual closing. (NOTE: If the Unit is vacant, the purchaser will be required to reimburse Sponsor for all Common Charges, real estate taxes and any special assessments payable during interim period).

13. Purchaser's Closing Costs

At Closing, Purchaser will pay certain costs in connection with the purchase of the Unit, in addition to the legal fees of Purchaser's counsel (if any) and the amount of any net credit in favor of Sponsor that may result from the closing apportionment described in the preceding Paragraph 12. Such closing costs will include the following, the amounts of which are based on rates in effect on the data of the Plan and are subject to change without prior or amendment to the Plan:

(i) 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 requested.

(ii) Purchaser will pay a fee for recording the deed, power of attorney and any applicable mortgage release applicable to the Unit. The current charge is approximately $____ to record the deed and $____ for each additional instrument plus $____ per page, together with a service charge to the title company for such recording.

(iii) If Purchaser obtains a mortgage loan, Purchaser will pay:

a. a fee and service charge for recording the mortgage at the same rates given above for recording the deed.

b. a mortgage recording tax in the amount provided for by law (at the date of the plan, text is two (2%) percent for mortgages securing debts less than $_____ and two and one eighth (2.125%) percent for residential mortgages securing debts of $500,000 or more);

c. the lender's attorney and appraisal fees, if any.

(iv) the fees to Sponsor's attorney as set forth in the portion of the Plan entitled "Closing Costs and Adjustments".

(v) if Purchaser obtains a mortgage loan, Purchaser will be responsible for paying all costs and expenses in connection with such loan in amounts with such loan in amounts determined by the lender. Sponsor makes no representation or warranty as to such closing costs or expenses or as to the availability or cost of such financing.

(vi) If Purchaser has dealt with any broker then Purchaser will be required to pay a commission to such broker unless Sponsor aggress otherwise in writing.

(vii) New York City Real Property Transfer Tax.

(viii) New York State Real Estate Transfer Tax.

(ix) New York State Special Additional Tax, commonly referred to as the "Mansion Tax".

(x) Two (2) months Common Charges, as provided in the Plan (working capital fund deposit).

14. Rent Security Deposit

If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will refunded to Purchaser, together with any interest earned thereon, within forty-five (45) days following the Closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the unit is occupied by other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred at Closing to Purchaser, who will upon receipt, sign and deliver to Sponsor an agreement acknowledging the

amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account (such agreement to be in form and substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Sponsor and to sue the tenant to the extent such rent security is insufficient. Sponsor shall not close title with respect to any Unit where the Purchaser has rent arrearage.

15. Power of Attorney to Condominium Board and Sponsor

At Closing, Purchaser shall execute, acknowledge and deliver to the representative of the title insurance company insuring Purchaser's title to the Unit (or if no representative is present, then to Sponsor's attorney) for recording in th New York County Clerk's Office, a power of attorney in favor of the Condominium Board relative to purchasing or leasing of Units. The power of attorney shall be substantially in the form set forth in Part II of the Plan. After being recorded, the power of attorney shall be sent to the Condominium Board.

16. Events of Default

A. The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to pay the Balance on the Closing Date designated by Sponsor pursuant to Paragraph 7 herein; or

(ii) Purchaser's failure to duly sign, notarize and deliver at Closing the power of attorney pursuant to Paragraph 15 above; or

(iii) If Purchaser is or becomes a tenant of the Building, Purchaser's failure to pay rent or to other wise comply with Purchaser's lease or tenancy obligation, which results in Purchaser's eviction from Purchaser's Unit (either by voluntary removal or by court order); or

(iv) The failure to pay, perform or observe any of Purchaser's other obligations hereunder, which is nor cured within fifteen (15) days after the mailing of written notice specifying the nature of such default; or

(v) If Purchaser is or becomes a tenant of the Unit and Purchaser fails to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations, or Purchaser vacates or abandons the Unit, then such failure, vacating or abandonment (as the case may be) shall constitute a default hereunder entitling Sponsor, at its sole option, to cancel this Agreement, even though Purchaser is not evicted from the unit as a result thereof. In the event that this Agreement is canceled, Sponsor and Purchaser shall be released or excused from paying and performing Purchaser's lease or tenancy obligations provided Purchaser shall vacate the Unit.

B. Upon the occurrence of an Event of Default, Sponsor shall have the right to cancel this Agreement by sending Purchaser thirty (30) days' prior written notice of its intention so to do. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the cancellation notice within which Purchaser must cure the specified default. If the default is not timely cured, then Sponsor shall have the right to retain, as and for liquidated damages, the Downpayment and the amount deposited for any custom work ordered (the "Liquidated Sum"), and any sums in excess thereof shall be returned to Purchaser within forty-five (45) days thereafter. Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and the Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as through this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

17. Appliances and Equipment

At Closing, the Unit will contain only those appliances, countertops, cabinets, sinks, air conditioning unit (if any), hardware and other fixtures, equipment and appliances currently installed therein that are owned by Sponsor. The Unit is being sold unfurnished.

18. Acceptance of Condition of Building and Unit

The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property subsequent to the completion of the renovation including the Building, the Unit and all fixtures, machinery, equipment, furnishings, appliances, installation and other personal property contained therein (hereinafter collectively called "Installations"), in their respective existing conditions, ordinary wear and tear excepted, between the date Purchaser signs this Agreement and delivery of the deed to Purchaser.

Sponsor reserves the right, during the course of Construction, to amend the Plans and Specifications (described in the Plan) and to substitute material and equipment different from that described in the Architect's Report (described in the Plan), provided only that any such revision will not (a) preclude issuance of a certificate of occupancy; or (b) materially adversely affect the structural integrity of the Building; or vary, materially, the nature of the alteration described in the Plans and Specifications filed with the City of New York Department of Buildings.

19. Notices

All notices, elections, consents, demands and communication (collectively called "notices" or individually called "notice") shall be delivered personally or given in writing by registered or certified mail, return receipt requested, postage prepaid and, if to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement (with copies given to

Purchaser's attorneys _____, Attn: _____, _____) and, if to Sponsor, addressed to Sponsor at Sponsor's address given in the preamble to his Agreement (with copies given to Sponsor's attorneys Friedberg Greener Cohen, LLP, 444 Madison Avenue, Suite 805, New York, New York 10022). Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or when deposited in any branch, station or depository maintained by the U. S. Postal Service in the State of New York except that a notice of a change of address shall be deemed given when actually received.

20. Broker

Purchaser represents to Sponsor that the Purchaser has not dealt with a broker in connection with this transaction except _____ Real Estate (NY) LLC and _____. Sponsor will pay the Commission due to _____Real Estate (NY) LLC and _____, pursuant to a separate written agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any other broker other than those listed in this Paragraph 20, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 20 shall survive the Closing.

21. No Lien

No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. This agreement shall not be recorded.

22. Entire Agreement

This Agreement, together with the Plan, as the Plan may be amended from time to time, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understanding and agreements.

23. Agreement May Not Be Assigned

Purchaser does not have the right to assign or transfer this Agreement except to a Permitted Assignee as that term is defined in the Plan. Any purported assignment or transfer by Purchaser in violation of this Agreement shall be voidable at the option of Sponsor.

24. Joint Purchaser

The term "Purchaser" shall be read as "Purchasers" if more than one person are purchaser, in which case their obligations shall be joint and several.

25. Liability of Sponsor

A. Sponsor shall not have any liability to Purchaser or others with respect to any of Sponsor's obligations under this Agreement or the Plan or otherwise in excess of the net proceeds paid to Sponsor from the sale of all Residential Units after payment of, or reserve for, any liabilities, costs or expenses of Sponsor arising out of the promulgation of the Plan, the offering of the Residential Units for sale and the consummation of the transactions contemplated in the Plan.

B. Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement fo so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, terrorism, inability to procure or general shortage of energy, labor, equipment facilities, materials or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar ro 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.

26. Strict Compliance

Any failure by Sponsor to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

27. Governing Law

The provisions of this Agreement shall be governed by, and construed and enforced in accordance with , the laws of the State of New York.

28. Waiver of Jury Trial

Except as prohibited by Law, the parties shall, and they hereby do, expressly waive trail by jury in any litigation arising out of, or connected with, or relating to, this Agreement, or the relationship created hereby. With respect to any matter for which a jury trial cannot be waived, the parties agree to 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.

29. Gender

A reference in this Agreement to any one gender, masculine or feminine, includes the other one, and the singular includes the plural, and vice versa, unless the context otherwise requires.

30. No Oral Changes

THIS AGREEMENT CANNOT BE CHANGED OR ANY PROVISIONS WAIVED

ORALLY. ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

31. Purchaser's Right to Rescind

In the case of a material revision adversely affecting the rights, obligations or liabilities of Purchaser or reducing the undertakings or obligations of Sponsor, then Purchaser will be given the right to rescind this Agreement, for a period of fifteen (15) days after the presentation of the amendment containing the said material revision to Purchaser and be refunded the full Downpayment within forty-five (45) days after receipt by Sponsor of Purchaser's notice of rescission. However, if Purchaser first became a tenant of the Unit after the Plan was originally presented, then such rescission will be conditioned on the cancellation of any interim lease and surrender of possession of the Unit within sixty (60) days thereafter.

32. Escrow Agent

It is understood and agreed that the Escrow Agent's sole duties hereunder are as indicated herein and that the Escrow Agent in the performance of its duties hereunder shall incur no liability except for willful malfeasance and shall not be liable or responsible for anything done or omitted to be done in good faith as herein provided.

In the event that a dispute shall arise as to the disposition of all or any portion of the Downpayment held by the Escrow Agent, the Escrow Agent shall either (a) deposit the same with a court of competent jurisdiction, pending the decision of any such court with respect to the disposition of the Downpayment, or (b) hold the same pending receipt of joint instructions from the Sponsor and the Purchaser and shall be entitled to rely upon such joint instructions with respect to

the disposition of the Downpayment.

The Sponsor and Purchaser promise and agree to indemnify and save the Escrow Agent harmless except for its willful malfeasance, from any claims, liabilities, judgements, attorneys' fees and other expenses of every kind and nature, which may be incurred by the Escrow Agent by reason of its acceptance of, and its performance under this Agreement.

33. Lead Paint Inspection

Purchaser may, in the ten (10) day period following Purchaser's attorney's receipt (or if Purchaser does not have an attorney, Purchaser's receipt) of a fully executed original of this Contract, at Purchaser's sole cost and expense, have the Unit inspected for the presence of any lead-based paint or lead-based paint hazard. Purchaser shall promptly deliver to Seller a copy of the inspection report. If such report discloses the existence of lead-based paint or lead-based paint hazard, Seller shall have fourteen (14) days from delivery of said report to abate such lead-based paint hazard. If Seller does not cure within fourteen (14) days, Purchaser may cancel this contract upon notice given to Seller or Seller's attorney within two (2) days after the expiration of said period. Time shall be of the essence with respect to the exercise of such cancellation right. If this Contract is so canceled, the Downpayment (less any deductions permitted below) shall be returned to Purchaser and this Contract shall be of no further force and effect except as set forth in Paragraph 20 (relating to brokerage indemnities). Seller agrees to afford Purchaser and its engineer or inspection company reasonable access to the Unit for the aforesaid inspection during normal business hours, upon at least twenty-four (24) hours' notice (which may be oral), and further agrees that if such access is not promptly afforded, then the rime within which said inspection is to be conducted shall be extended accordingly. Purchaser agrees to repair any damage to the Unit caused

by such inspection, whether or not Purchaser exercises his or her right to cancel. If any such damage occurs and Purchaser cancels this Contract, Seller may, at his (her) option, deduct the cost or repairing such damage from the Downpayment prior to refunding the Downpayment to Purchaser, and if such cost exceeds the amount of the Downpayment, Purchaser shall pay any deficiency to Seller. If Purchaser fails to exercise Purchaser's right to cancel under this Paragraph, Seller may, at his or her option, wither (a) require Purchaser to repair such damage (unless the damage is de minimis), in which event Purchaser shall promptly repair such damage, or (b) elect to have Purchaser take the Unit subject to such damage, or (c) repair the damage (unless the damage is de minimis), in which event Purchaser shall, promptly after receipt of documentation from Seller reasonably evidencing such cost, reimburse Seller for the reasonable cost of repair.

34. Agreement Subject to Mortgage

No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of the Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, including, but not limited to, any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, wither satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on

or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements , shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

35. Mortgage Tax Credit

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the New York Condominium Act, it is specifically understood that such credit shall enure to the benefit to Sponsor. Accordingly, at closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At the Closing of Title, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

36. Certain References

A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and *vice versa*, unless the context otherwise requires. The terms "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections subsections or other provisions of the Agreement.

37. Final Inspection of Unit

At lease five (5) business days before the Balance is to be paid, Sponsor or Selling Agent shall notify Purchaser that the Unit is ready for final inspection before Closing. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Sponsor or Selling Agent to inspect the Unit during such five (5) business day period. Purchaser or its duly authorized agent shall attend such inspection, accompanied by a representative of Sponsor of Selling Agent, and shall complete, date and sign an inspection report and deliver same to the Sponsor or Selling Agent at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within said five (5) day period or to so sign and deliver a completed inspection report, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit in the as-built condition existing on the day of Closing. Purchaser is obligated to pay the entire Balance of the Purchaser Price, without provision for escrow, notwithstanding Sponsor's obligation to complete or correct the item noted on Purchaser's inspection report. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "Rights and Obligations of Sponsor" Section of the Plan.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Sponsor:
PAXTON 350, LLC

By:_____
Name:
Title:

Purchaser(s):

_____ L.S.
_____ L.S.

Sponsor:
CIAO-DI RESTAURANT CORPORATION

By:_____
Name:
Title:

Purchaser(s') Social Security Number(s):

_____

_____

EXHIBIT B

POWER OF ATTORNEY

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UNIT OWNER'S POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a plan for condominium ownership of the premises known both as the 88 Washington Condominium (the "Condominium") and by the street number 88 Washington Place, New York, New York, under Article 9-B of the Real Property Law of the State of New York, dated as of _____, 2006, and recorded in the New York County Office of the Register of the City of New York on _____ __, 2006, in Reel _____, Page ____ (hereinafter referred to as the "Declaration"), or (b) in the By-Laws of the Condominium (hereinafter referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____ residing at 88 Washington Place, New York, New York, the owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") known as Unit No. __ at the 88 Washington Place Condominium, said Unit being designated and described as Unit No. __ in the Declaration and also designated as Tax Lot ___ in Block 552 of Section 2 of Borough of Manhattan on Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the Condominium ("Floor Plans") filed with that department, (does) (do)* hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners in accordance with the Unit Owners' respective Common Interests, subject to the provisions of the By-Laws then in effect:

1. (a) to acquire any Unit, together with its Appurtenant Interest, who owner elects to surrender the same pursuant to the terms of paragraph (C) of Section 6.2 of the By-laws, (b) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, (c) to acquire a Unit, together with its Appurtenant Interests, for the use and occupancy of a superintendent or otherwise, (d) to acquire or lease a Unit pursuant to the terms of Article 7 of the By-Laws, and (e) to acquire or lease any Unit, together with its Appurtenant Interest, in accordance with Section 2.4(xv) of Article 2 of the By-Laws, all on such terms, including (without limit) price or rental (with respect to any transfer pursuant to the terms of subdivision (b), (c), (d) or (e) of this paragraph) as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorney-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present; and

2. To execute, acknowledge and deliver, and, if necessary, to cause to be recorded in the Office of Register of New York County, (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the Landmarks

Preservation Commission, the City Planning Commission, the Board of Standards and Appeals, or any other pubic authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any agreement, consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does) (do) * hereby irrevocably nominate, constitute and appoint PAXTON 350, LLC and CIAO-DI RESTAURANT CORPORATION (hereinafter collectively referred to as "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws, Rules and Regulations and Floor Plans of the said Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Article 12 of the Declaration or (2) shall be required by (a) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as the Sponsor and Sponsor's designee (if any) shall cease to own any of the Units in the 88 Washington Place Condominium.

IN WITNESS WHEREOF, the undersigned (has) (have)* executed this Unit Owner's Power of Attorney as of the __ day _____, 2006.

* Delete whichever is inapplicable.

_____

_____, Unit Owner

_____

_____, Unit Owner

STATE OF NEW YORK }
} ss:
COUNTY OF NEW YORK }

On the ___ day of _____ in the year 2006 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 upon behalf of which the individual(s) acted, executed the instrument.

_____
Signature and Office of individual taking acknowledgment

STATE OF NEW YORK }
} ss:
COUNTY OF NEW YORK }

On the ___day of _____ in the year 2006 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 upon behalf of which the individual(s) acted, executed the instrument.

_____
Signature and Office of individual taking acknowledgment

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EXHIBIT C

FORM OF UNIT DEED

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CONDOMINIUM UNIT DEED

88 WASHINGTON PLACE CONDOMINIUM

THIS INDENTURE, made the ____ day of _____, 2006 by and between CIAO-DI RESTAURANT CORP. having an address c/o Friedberg Greener Cohen, LLP, 444 Madison Avenue, Suite 805, New York, New York 10022 (the "Grantor") and _____having an address at _____.

WITNESSETH:

That the Grantor, in consideration of Ten ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit (the "Unit") known as Unit No. __ in the building (the "Building") known as 88 Washington Place Condominium (the"Condominium") and by the street number 88 Washington Place, City of New York, County New York, State of New York, said Unit being designated and described as Unit No. __ in a certain declaration dated _____ __, 2006, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (the "Land") upon which the Building is situated (which Land is more particularly described in Exhibit A annexed hereto and by this reference made a part hereof), which declaration was recorded in the New York County Clerk's Office on _____ __, 2006, in Reel _____, Page ___, (which declaration is hereinafter referred to as the "Declaration"). Being part of the same premises conveyed to the Grantor from First Leasing Corp., a New York corporation by deed dated May 19th, 1966 and recorded on July 19, 1967 in Reel 143, Page 359. This Unit is also designated as Lot __, Block 552 of Section 2 on the Tax Map of New York County and on the Floor Plans of the Building, certified by _____, Architects, on _____ __, 2006 and filed with the Real Property Assessment Department of the City of New York on _____ __, 2006, as Condominium Plan No.__, and also filed in the City Register's Office on _____ __, 2006, as Map No.____.

Together with an undivided _____% interest in Common Elements (as such term is defined in the Declaration);

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws of the 88 Washington Place Condominium, as the same may be amended from time to time (the "By-Laws"), 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, agreement, covenants, easements, restrictions, consents and other matters of record as pertaining to the Unit, to the Land and/or to the Building (which Land and Building are hereinafter collectively referred to as the "Property").

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision 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 sufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

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

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatsoever, except as set forth in the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws). This covenant is for the personal benefit of Grantee only and cannot be assigned to, or exercised by, or inure to the benefit of any one else, including (without limitation) any insurer of Grantee's title or any successor of Grantee's interest.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the costs of the improvements at the Unit and will apply the same first to the payment of the costs of such improvements before using any part of the same for any other purpose.

Grantee has examined the Unit and is purchasing the same in its existing condition. The Unit is to be used for residential purposes pursuant to all related zoning rules and regulations.

By executing this Deed, the Grantee accepts and ratifies the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the City Register's Office.

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

All capitalized terms used herein which are not separately defined herein shall have all the meanings given to those terms in the Declaration or the By-Laws of the Condominium.

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

GRANTOR: CIAO-DI RESTAURANT CORP.

By: _____
Name: Yvonne Wagner
Title: President

GRANTEE:

_____

_____

STATE OF NEW YORK }
} ss:
COUNTY OF NEW YORK }

On the ___ day of _____ in the year 2006 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 upon behalf of which the individual(s) acted, executed the instrument.

_____
Signature and Office of individual taking acknowledgment

STATE OF NEW YORK }
} ss:
COUNTY OF NEW YORK }

On the ___day of _____ in the year 2006 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 upon behalf of which the individual(s) acted, executed the instrument.

_____
Signature and Office of individual taking acknowledgment

EXHIBIT D

DESCRIPTION OF PROPERTY

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88 WASHINGTON PLACE CONDOMINIUM

88 Washington Place
New York, New York 10012

November 16, 2004

DESCRIPTION OF PROPERTY

1. LOCATION AND USE OF PROPERTY
2. CONSTRUCTION CLASSIFICATION
3. SITE DESCRIPTION
4. UTILITIES
5. LANDSCAPING
6. BUILDING SIZE
7. SUB-SOIL CONDITIONS AND STRUCTURAL DESIGN
8. EXTERIOR OF BUILDING
    1. Walls
    2. Windows
    3. Parapets and Guardrails
    4. Boiler Chimney and Trash Chute
    5. Terraces
    6. Exterior Entrances
    7. Roof and Roof Structures
    8. Metal Work at Roof Levels
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    10. Yards
    11. Interior Stairs
    12. Interior Doors and Frames
    13. Elevators
    14. Elevator Cabs
9. AUXILIARY FACILITIES
    1. Laundry Rooms
    2. Refuse Disposal

10. PLUMBING AND DRAINAGE

11. HEATING

12. GAS SUPPLY

13. AIR CONDITIONING

14. VENTILATION

15. ELECTRICAL SYSTEM

16. COMMUNICATION AND SECURITY SYSTEMS

17. PUBLIC AREA LIGHTING

18. GARAGES AND PARKING AREA

19. SWIMMING POOL(S)

20. TENNIS COURTS, PLAYGROUND AND RECREATION FACILTIES

21. PERMITS AND CERIFICATES

22. VIOLATIONS

23. UNIT INFORMATION

24. FINISH SCHEDULE FOR TYPICAL APARTMENT

25. FINISH SCHEDULE FOR OTHER SPACES

26. BATHROOM AND KITCHEN FIXTURES

27. SAFETY AND WARNING DEVICES

28. ASBESTOS

29. LEAD-BASED PAINT

30. EXISTING BUILDING

31. GENERAL COMMON AREAS

1. LOCATION AND USE OF PROPERTY

The property is located in Manhattan, occupying a corner lot on the Southeast of Avenue of the Americas (6th Avenue) and Washington Place.

1. Address: 88 Washington Place, New York, New York 10012

2. Tax Block: 552 Lot No.: 5

3. The property lies in the C1-5/R7-2 Commercial/Residential District as shown on Map 12C of the Zoning Resolution of the City of New York.

4. The proposed use is for a Class A residence, Multiple Dwelling (use Group 2) as permitted as-of-right in R7-2 districts.

Use Groups permitted in an R-7 zone are as follows:

a. Use Group 2 for all kinds of residential developments.

b. Use Group 3 for community facilities for educational purposes.

c. Use Group 4 for community facilities for recreational, religious, health and other essential services for residents.

d. The existing community facility on the 2nd floor is a Use Group 4 community facility.

e. C1-5 is a Commercial District designated to provide for residential convenience retail or service establishments, offices, commercial retail or service establishments, and public services establishments.

f. The adjoining properties are also located in this C1-5 and R7-2 Districts.

2. CONSTRUCTION CLASSIFICATION

Under the current requirement of the New York City Building Code, the building has the following classifications and requirements:

1. Occupancy Classification J-2
2. Construction Classification 1-D
3. The Certificate of Occupancy will be obtained upon the completion of the work filed under DOB, Type ALT-1, Application No.103820830.
4. The building lies within the Greenwich Village Historic District and required to have its design reviewed and approved by the Landmarks Commission. The design has been reviewed and approved by the Landmarks Commission.

3. SITE DESCRIPTION

1. The size of the site is approximately 9,661 square feet.

2. The condition of the existing street and sidewalk is poor. The sidewalk will be replaced new along the Avenue of the Americas (6th Avenue) and along Washington Place. The sidewalk will be of concrete to meet the requirements of the New York City Department of Transportation.

   a. There is no catch basin on this site. Existing catch basins at other street intersections capture storm water and divert it to the City storm water disposal system located in the street.

   b. Street lighting is existing and maintained by N.Y.C. Department of Highway Traffic and Lighting.

4. UTILITIES

For utilities, refer to Plumbing and Drainage, and Electrical Sections.

5. LANDSCAPING

1. There are two existing trees along Washington Place. Landscaping will also be provided at the 3rd Floor roof garden.

6. BUILDING SIZE

1. The building's height from sidewalk to the top of the roof slab is approximately 71'-4" fronting on Avenue of the Americas, and 71-2" fronting on Washington Place. The residential building consists of 4 stories over an existing 2 story building. The existing building contains commercial retail space at the first floor and community facilities space at the 2nd floor

2. The existing building also contains a cellar which will be used for mechanical and electrical rooms, storage rooms and an exercise room with children's playroom.

3. There is no sub-cellar.

4. There are two penthouse apartments on the 6th floor.

5. The highest structure is the top of the boiler chimney, an approximate height of 16'-0" above the finished roof over the 6th floor.

6. Roof railings and terrace railing heights are a minimum of 3'-6" above the finished roof.

7. SUB-SOIL CONDITIONS AND STRUCTURAL DESIGN

1. Sub-Soil:

The building is adjacent to the 6th Avenue subway tunnel. A geotechnical investigation was performed to obtain subsurface data for the design of the new foundation elements. The investigation indicated that bedrock exist 46'-6"± to 37'-0"± to a depth below the top of the cellar floor slab, and that the soil between the bedrock and the cellar slab consist of granular uncontrolled fill underlain by glacial outwash sands and strata of silt, sand, and clay with silt and sand seams.

2. Design:

The project involves constructing four new floors on top of the existing two-story building located at 88 Washington Place. The property is located at the southeast corner of Sixth Avenue and Washington Place in Manhattan. The original building was constructed in the 1960's and is partially located over the existing West Fourth Street subway station and an existing sewer.

To avoid increasing the load on either the sewer or the subway structure, a series of new mini-pile foundations are to be drilled adjacent to the sewer and socketed into bedrock. New concrete columns will be poured up to the new third floor. New steel girders to be installed on the columns and will cantilever over the subway and sewer. This configuration will direct all new loads away from existing structures.

The cellar slab is concrete slab-on-grade. The perimeter foundation walls are cast-in-place concrete. The existing ground and second floors are wood joists centered 12 or 16 inches on center and are supported by steel girders and columns. Portions of this framing will be removed to provide openings for a new stair and elevator.

The new transfer level at the third floor will be steel framed with concrete slab-on-metal deck. The new levels above the third floor will be constructed of light-gage metal framing spaced between 12 to 16 inches on-center. New 16 gage slab-on-metal deck will span between the light gage bearing walls to provide open spaces with a thin structural depth. The new roof will be roof deck spanning between light-gage joists.

The lateral system for the overall building will be three new cast-in-place concrete shear walls. Two are located around the new stair and elevator core and the other is located at the south end of the building. All new pile caps are tied together with new concrete grade beams.

8. EXTERIOR OF BUILDING

1. Walls

a. The existing exterior walls at the 1st and 2nd floors will be demolished and new walls will be constructed.

b. At the first floor the new exterior walls will consist of a granite base and full story high limestone or cast stone veneer, a 2 inch air cavity, gypsum sheathing, steel stud frame, thermal insulation, and gypsum wallboard.

c. At the 2nd floor the exterior walls will consist of a full story high brick veneer, a 2 inch air cavity, gypsum sheathing, steel stud frame, thermal insulation, and gypsum wallboard.

d. The exterior walls of the new addition from the 3rd thru 5th floors will consist of brick veneer, a 2 inch air cavity, gypsum sheathing, steel bearing stud frame, thermal insulation and gypsum wallboard. The 5th floor will have a limestone or cast stone veneer spandrel band, and a limestone or cast stone cornice.

e. A the 6th floor penthouse the exterior walls will consists of a full story high brick veneer, a 2 inch air cavity, gypsum sheathing, steel stud frame, thermal insulation, and gypsum wallboard. The top of the wall will have a limestone or cast stone coping.

2. Windows

Windows are thermally broken aluminum with insulated glass casement and fixed sections. Joints between windows and walls are caulked and flashed.

3. Parapets, and Guardrails

Parapets and guardrails are extensions of the exterior walls. At the 3rd floor apartment "A" terrace, and garden roof, a masonry parapet with limestone or cast stone coping extends 3'-6" high above the roof. At the penthouse apartment terraces, a masonry parapet extends approximately 2'-0" above the roof and a glass guardrail extend above the parapet to a 3'-6" height above the roof. At the roof over the 6th floor and the stair bulkhead roof, a metal guardrail extends 3'-6" above the roof.

4. Boiler Chimney and Trash Chute

The boiler flue is a minimum double wall stainless steel class "A" gas vent as defined in the New York City Building Code. A compactor chute in a rated enclosure with sprinklers to suit the N.Y.C. Building Code is located with a trash alcove on each floor. This conveys trash to a compactor located in the cellar.. Compacted trash from this space is brought to the street by Service Elevator or Stairs. Both the boiler flue and trash chute are enclosed in a brick chimney.

5. Terraces

a. Terraces in 3rd floor apartment "A" and 6th floor penthouse apartments "A" and "B" are Limited Common Elements for the exclusive use of the owners of such units respectively.

b. The 3rd floor Garden Roof terrace is a common element for use by all residential tenants.

c. Each terrace consists of the area measured horizontally from the outside face of the apartment perimeter exterior wall to the outside face of another exterior wall, and/or to the centerline of an enclosing fence, and/or to the centerline of the geometrical extension of partitions separating one unit from another unit, corridor, stairs, elevators, and other mechanical equipment spaces or any common element. Mechanical equipment is only deducted at the 3rd floor garden roof terrace.

6. Exterior Entrance

The building has its primary street entrance into the main lobby on Washington Place.

a. Exterior doors and frames are specified to be thermally broken aluminum with tempered glass.

b. Vestibule doors and frames are specified to be aluminum doors with tempered glass.

c. Mailboxes are specified to be aluminum front loading type as approved by the U.S. Post Office.

d. Exterior lighting is specified for the main building entrance and the store fronts on Avenue of the Americas (6th Avenue) and Washington Place.

7. Roof and Roof Structures

a. Roof Type

(1) Roof is specified to be a hot-fluid applied roof membrane.

(2) Roof is specified to be insulated with extruded polystyrene rigid board with an R-value of 19.

b. Surface finish to have roof pavers at terraces and gravel ballast on all other areas.

c. The roof is specified to be warranted for 20 years in accordance with the manufacturer's requirements for installation. The manufacturer is specified to be American Hydrotech, Inc., Carlisle Corp., or approved equal. The warranty covers membrane, flashing, and insulation.

d. Flashing materials are specified to be elastomeric flashing sheets 50 mil (1.3 mm) thick; modified bituminous flashing sheets; and 28 gauge stainless steel cap flashing.

e. Drains: The building is drained by roof drains. Roof drains are cast iron.

f. Bulkheads. There is one bulkhead roof over Stairs A and B.

8. Metal Work at Roof Levels.

a. There will be a vertical ladder attached to the outside of the stair bulkhead for access to the stair bulkhead roof.

b. There will be metal guardrails at the roof over the 6th floor (penthouse) and the stair bulkhead roof.

9. Fire Escapes

There will be no fire escapes in this building.

10. Yards

There is one communal outdoor terrace on the third floor for the residents.

11. Interior Stairs

a. There are three non-combustible stairs specified for general egress in the building.

(1) Stair "A" will provide egress from all residential floors and the 2nd floor Community Space to the street thru the main entrance lobby.

(2) Stair "B" will provide egress from all residential floors and the 2nd floor Community Space to the street thru the cellar exit passageway and Stairs "C" or "D".

(3) Stair "C" will provide egress from the 2nd floor Community Space to the street thru the Community Space first floor entrance lobby.

(4) Stair "D" will provide egress from the cellar directly to the street.

b. With the exception of stairs "A" and "B" at the 2nd floor Community Space, all the building's stairs are enclosed in masonry construction of two-hour fire protection. Stairs "A" and "B" at the 2nd floor Community Space are enclosed in gypsum drywall construction of two-hour fire protection. All stairs are finished on the interior with paint.

c. Egress stairs are specified of steel pan filled with concrete construction and exposed concrete treads and risers.

d. There will be a 1 ½" diameter steel primed and painted pipe rail continuous from floor to floor on each side of each stair.

e. Egress stair guardrails are of steel pipe.

f. Egress stair balusters are of steel.

12. Interior Doors and Frames

All doors within apartments are of wood with wood frames.

a. Unit entrances and frames are specified to be of painted steel, hollow metal, with a ¾ hour F.P.S.C. rating. Unit entrances are specified with an interviewer. Doors and frames in apartments are of wood and are not required to be fire rated.

b. Corridor doors and frames are of steel, non-combustible and meet the required rating.

c. Roof doors and frames are of steel, non-combustible and are 1 ½" hour rated. Basement doors and frame are of steel with ratings as required by Code.

13. Elevators

a. There are two handicap accessible passenger elevators for the residential floors and one handicapped accessible passenger elevator for the 2nd floor Community Space. One of the elevators for the residential floor is a passenger/service elevator.

b. The elevators are manufactured by Thyssen/Krupp Elevator Corp., Fujitec/Serge Elevator Co., or approved equal. Their speeds are 100 fpm.

c. The elevators are on automatic self-service. The passenger elevators are 2,000 lbs. Capacity. The passenger/service elevator is a 2,500 lbs. Capacity.

d. The elevators are automatic-push button controlled.

e. The passenger/service elevator and the Community Space elevator service the cellar level.

f. The elevators are specified to be hydraulic.

g. Doors on the elevator are automatic sliding.

h. The machine rooms for the elevators are located on the cellar level.

i. The power supply is rated at 208 volts, 3 phases, 60 Hz.

j. The elevators are equipped with all necessary features to meet Local Law #5, firemen service code, New York and National Handicap codes.

14. Elevator Cabs

a. The elevator cabs are manufactured by Thyssen/Krupp Elevator Corp., Fujitec/Serge Elevator Co., or approved equal.

b. The floor material will be carpet or vinyl tile.

c. The walls will be wood panels or metal panels, or plastic laminate panels.

d. The ceiling is translucent acrylic on a metal frame.

e. There will be fluorescent or other lighting in the cab.

9. AUXILIARY FACILITIES

1. Laundry Room. The building does not have a laundry room since all apartments are provided with a washer and dryer.

2. Refuse Disposal.

a. There are no incinerators in this building.

b. There is one refuse chute. It is located in a trash alcove located off the corridor at each of the floors of the building, emptying into a compactor. It is an automatic multi-bag hydraulic compactor by Dempster Bros., Inc., Multi-pak Sales Corp., International Dynetics Corp., or approved equal.

c. Approvals for the installation are part of the overall building permit to be issued by the N.Y.C. Department of Buildings.

d. The initial storage for the refuse is in the compactor room on the cellar level. From the compactor room the refuse is taken for pick-up on the designated days of the week onto the street.

10. PLUMBING AND DRAINAGE

1. Water Supply:

a. A 4" domestic cold water service with a curb valve is connected to the street water main in Washington Place. The service line is extended to the Water Meter Room located in the cellar.

b. Water pressure from duplex booster water pumps will serve all the residential fixtures

c. The residential metered cold water supply will be extended to a backflow preventer. The cold water supply serves the duplex domestic water booster pumps.

d. Cold water is supplied from the booster water pumps via a distribution main located in the cellar and second floors.

e. The domestic hot water for residential use is generated from duplex gas-fired heaters located in the cellar Boiler Room.

f. The hot water piping system parallels the cold water as an up-feed supply. The end of each hot water riser is provided with a hot water circulation riser and extends and connects to the hot water circulation distribution main.

g. The hot water circulation distribution main collects all the circulation risers and extends back to the hot water heaters and boiler coils.

h. The hot water circulation main is equipped with a circulation pump.

i. The domestic hot water temperature to all fixtures will be 120 deg. F. and controlled by a mixing valve at the water heater and boiler coils.

j. Flow conservation devices will be provided on all water supplies to all showers.

k. Backflow preventers and vacuum breakers will be provided as required to protect the domestic water supply.

l. Air chambers are provided at the top of all risers and throughout the piping systems to prevent water hammer.

m. The cold, hot and hot water circulation piping 2" and less is copper Type 'L' with 95-5 solder joints. Piping 2-1/2" and larger shall be copper Type 'L' with silver brazed joints.

n. The cold water service and combined fire standpipe/sprinkler service pipes are cement lined cast iron material.

o. All water risers will be provided with valves.

p. Expansion compensators and loops will be provided on hot and hot water circulation piping systems.

q. The water pressure in the cold, hot and hot water systems to fixtures will be limited to 85 psig by means of a pressure reducing valve.

r. Water conservation plumbing fixtures will be provided.

s. The retail and community facilities will be provided with capped hot and cold water outlets for future extension. Tenants will provide sub water meters.

2. Fire Protection System:

a. A 6" sprinkler service from Washington Place serves an automatic fire pump. The fire pump capacity is 500 GPM and is provided with a jockey pump to maintain pressure in the systems.

b. The automatic fire pump supplies sprinkler riser located in the stairs. The riser will serve each floor. The pipe material is black steel pipe.

c. Sprinklers will be provided throughout the building except for residential toilet rooms, closets, electrical and telephone rooms. In addition, the refuse chute on every other floor starting with the top floor will be provided with a sprinkler head, and on each vestibule chute area a head will be provided. The first floor lobby and corridor including all below grade areas will be protected with a wet sprinkler system. The sprinkler system is supplied from the combined fire standpipe and sprinkler system.

d. The fire pump system will provide adequate water pressure to serve the refuse chute heads and the entire wet sprinkler system.

e. Approved type sprinkler heads will be used in the refuse chute. Upright, pendent, sidewall and flush type heads will be provided in all other areas. In all unfinished area without ceilings, provide bronze type heads. In all finished areas with hung ceiling the heads will be flush type concealed heads with plates. Approved sidewall type heads will also be provided in residential units. The sprinkler system will be designed for light and ordinary hazard occupancy.

f. The secondary source of water supply is from the sprinkler system flush type Siamese connections facing Avenue of the Americas and Washington Pace.

3. Water Storage Tank: NOT APPLICABLE

4. Water Pressure:

a. Domestic water pressure is maintained by a duplex booster water pump system.

5. Sanitary Sewage System:

a. A complete sanitary drainage system will convey all soil and waste from plumbing fixtures, drains and equipment with connection to an existing combined house sewer. The sanitary system is designed for gravity flow through vented branches, stacks and building drains. Drainage piping to fixtures located in the cellar area will flow by gravity to a duplex sewage ejector including all remote fixtures that cannot drain by gravity on the first floor. The ejector discharge pipe will connect on the downstream side of the building's combined sanitary house trap.

b. Sanitary piping above ground is cast iron piping with no-hub fitting and galvanized steel pipe. Piping below grade is cast iron service weight pipe.

c. The sanitary drainage flows to the city public sewer system via an existing house sewer.

6. Permits Required:

Permits and approvals to be delivered on closing by the developer for:

a. Plumbing, water and gas.
b. Sprinkler
c. Standpipe

7. Storm Drainage System:

a. A complete storm water drainage system designed for gravity flow will convey storm water drainage from the building roof, and all paved areas. Drainage located at the cellar area below the street sewer elevation is pumped by means of submersible sump pumps such as in the elevator pits.

b. In the elevator pits a submersible sump pump is provided.

c. An independent storm house sewer will connect and combine with the sanitary house sewer at the foundation wall and will connect to the existing combined house sewer in Avenue of the Americas. There are no catch basins on the site.

d. There shall be at least one (1) drain for each roof or paved drainage area.

e. The piping material above the floor will be cast iron with no-hub joints are galvanized steel. Piping below the cellar slab will be cast iron. Sump pumps and sewage ejector discharge piping will be galvanized steel pipe.

11. HEATING

1. Method:

a. The heating system of the building will consist of gas-fired hot water module boilers equipped with gas burners for natural gas.

2. Domestic Hot Water:

a. Domestic hot water for the residential section will be generated by separate gas-fired hot water boilers (refer to Plumbing Section).

3. Residential Space Heating:

a. The heating system for the residential section of the building will be via incremental units and will be designed to maintain an indoor temperature of 72 deg. F. when the outdoor temperature is 15 deg. F. under normal conditions as per ASHRAE standards.

b. The incremental units will be console type and will be equipped with room thermostats and hot water heating coil.

c. The temperature of the hot water system will be maintained automatically by indoor and outdoor temperature sensors via boiler control system "Tekmar" furnished with the boilers.

d. The supplemental electrical heating will be provided for exterior toilets, kitchens and stairs to prevent the plumbing pipes from freezing.

4. Number of Boilers and Description:

   a. The building is provided with ten (10) modular gas-fired, hot water boilers equipped with boilers control system "Tekmar".

5. Manufacture of Boilers:

   a. Slant/Fin Model #GGHT-4000
   with capacity gas input of 3990 MBH

6. Manufacture of Burners:

   a. Low pressure burners for natural draft boilers, by t he same manufacturer of boilers.

7. Type of Controls:

   a. Tekmar stage control system a microprocessor based control which regulates supply water temperatures from outdoor air temperature and the indoor air temperature.

8. Heating of Public Space:

   a. The heating and air conditioning of public spaces will be provided by horizontal ceiling mounted air-cooled packaged AC units. Cabinet unit heaters will be installed in entrance vestibules.

9. Fuel:

   a. Natural gas at 100,000 BTUH per (CCF).

10. Domestic Hot Water Heating:

    a. Domestic hot water for low zone is generated by tankless coils in the steam boilers.

    b. Domestic hot water for high zone is generated by gas-fired domestic water heaters located in the mechanical room on the roof.

12. GAS SUPPLY

    1. Gas is supplied by Con Edison Co. and utilized for cooking, heating boilers, laundry gas dryers, building's gas roof top units, fireplaces and domestic water heaters to serve the residential units.

       Type – Natural Gas.
       Meters – Master twin gas meters for cooking, fireplaces, boiler ignition and domestic water heaters. Meter for boilers independent heating, gas meters and a gas meter for HVAC equipment on the roof.
       Piping material is black steel pipe.

13. AIR CONDITIONING

1. The residential section of the building will be provided with a console type incremental units capable of maintaining inside temperatures of 78 deg. F. and 55% relative humidity when outside temperatures are 90 deg. F. D.B. and 74 deg. F. W.B., and 72 deg. F. inside when outside temperature is 15 deg. F. Cooling loads assume that residents will use internal blinds, shades or similar window treatment during the cooling season.

2. The air conditioning to main lobby will be provided by a horizontal ceiling mounted air-cooled packaged AC unit with 5 ton capacity.

a. Type of System:

1) The AC units for heating and cooling of the apartments are incremental units as indicated on the drawings.

2) Each unit will be provided with shut off valves, heating coil and controls. The capacities are follows:

Type A:	Cooling	= 9. MBH
	Heating	= 13.9 MBH
Type B:	Cooling	= 12. MBH
	Heating	= 14.3 MBH
Type C:	Cooling	= 16.0 MBH
	Heating	= 15.10 MBH

The Telephone Room, Elevator Machine Room, and Compactor Room will be provided with split system AC units.

14. VENTILATION

1. The ventilation of the residential corridors will be provided by gas-fire, roof-top units operating with 100% outdoor air.

2. Windowless areas such as bathrooms and kitchens will be mechanically ventilated to the exterior.

3. Dryers will be ventless type and an exhaust system is not required.

4. Separate exhaust system for Compactor Room, Fire Pump Room, Sewage Ejector Room and storage areas will be provided.

15. ELECTRICAL SYSTEM

Electric service will be provided by Con Edison Co. at 120/208V, 3 phases, 4 wires to electric service switchboard and distribution panels throughout the building.

Service is as follows:

4,000 amps for house, retail space and apartment units electrical requirements.

Typical apartment units:

a. 150 amp/208 volt, 36 circuit panel (3rd thru 5th floors)
b. 225 amp, 208 volt, 42 circuit panels for 6th floor units.
c. The service to residential unit will be 120/208 volt. 1 phase, 3 wire. Electric service will be supplied to residential unit via Con Edison Co. meter bank located on the 3rd floor.
d. Service to penthouse units will be 120/208V, 3 phases, 4 wires.

The main service equipment shall be fusible switches as required by code; 800 amp or larger ampere switches shall be bolted pressure switches for service use. Main fuses vary in rating. The size of fuses shall be to suit the loads served.

1. Adequacy:

   a. All residential units are designed with the proper number of wall receptacles, switches, appliance receptacles, etc. as required by the NYC Electrical Code.

   b. Switches lighting fixtures are provided in bathrooms, walk-in closets, foyers and kitchens, switched receptacles are provided in bedrooms. Fixtures are incandescent type in foyers, dining areas, and walk-in closets and kitchens. Apartment corridor lights are incandescent.

   c. 20 amps, 120V circuit have been provided to handle lighting and general purpose receptacles.

   d. 20 amps, 120V circuit have been provided in the kitchen area for 120V kitchen appliances. Each appliance outlet above counter will be GFI type.

   e. 20 amps, 208V outlet for AC units have been provided.

   f. 20 amps, 208V single phase circuit for washing machines have been provided.

   g. 30 amps, 208V single phase circuits have been provided for electric washer/dryer units.

   h. Receptacles are provided in all rooms (average five (5) per room). Ground fault circuits are provided in bathrooms.

2. Audio Intercom and Door Signal System:

   a. The building will be equipped with an audio/visual type door intercom system.

3. TV Reception Facilities and Telephone Services:

a. Cable television service will be available to each tenant on an individual subscription basis (separate charge).

b. Location of outlets: living room, kitchen and in each bedroom.

c. The building will be pre-wired for telephone services. A multi-media jack will be located in the living room, bedroom and kitchen of each unit.

4. Public Area Lighting:

a. All lighting in common areas except the vestibule and lobby will be ceiling and/or wall mounted incandescent or fluorescent fixtures. Lighting for the vestibule and lobby will be recessed ceiling mounted fixtures and wall mounted decorative lighting sconces.

b. Lighting in cellar mechanical spaces and storage rooms will be fluorescent.

c. Photoelectric type smoke detectors, hard wired, 120 volt will be provided on the outside of each bedroom.

5. Inspections:

a. Conducted concurrently with construction with final sign-off at the issuance of the Certificate of Occupancy.

1) NYC Department of Buildings
2) Elevator
3) Mechanical and Plumbing
4) Boiler
5) Department of Air Resources
6) Compactor
7) Electrical
8) Fire Department

6. Violations:

a. Inspections of the NYC Building Department files reveals that the building has no pending Building Code Violations.

b. Searches have been requested of the following agencies to determine if any pending violations exists:

a. NYC Fire Department
b. NYC Department of Air Resources
c. NYC Certificate of Inspection

16. INTERCOMMUNICATION AND SECURITY SYSTEMS

1. Cameras and Monitoring

   a. A fully operational 24 hours remote Central Station for the monitoring of burglar alarms, and video cameras will be provided in the building.

   b. Five high resolution color video cameras with smoked dome housings and two flush mounted elevator video cameras will be provided in the building.

   c. The video cameras will be mounted in the following areas:

      Entry Vestibule
      Lobby Vestibule
      Both Residential Elevators
      Exercise Room in the Cellar
      Play Room in the Exercise Room
      Elevator Lobby in the Cellar

   d. All of the video cameras will be connected to a Digital Video Recorder that will record their actions onto a hard drive 24 hours a day 7 days a week.

   e. Still photographs can be generated from the captured video to present in court or for police action. They will have a time / date stamp, as well as a number that will coincide with the image on the hard drive to ensure that the image has not been altered. Once the still image is created, it can be copied and pasted to a word document for reference, or printed directly from the computer viewing the image.

2. Automation System

   a. A home automation system designed to act as a video intercom, burglar alarm, and home automation control will be provided in each apartment.

      For the control and use of this product, each apartment will be equipped with a control panel, and one color touch screen.

      This touch screen will allow the apartment owner to arm and disarm his alarm, and view up to four cameras simultaneously on the screen.

   b. An Internet connection to the touch screen will currently enable the owner to use this touch pad as a web browser. It will also enable the owner to remotely connect to his system and operate it as if he is in front of the touch screen.

      The web browser will supply each user with his own individual homepage. E-mail headings and subjects, news, stock quotes, weather, and horoscopes will be available.

c. Each of the units will have a Cat-5e wire run from the touch screen to a device which will be located at the control panel in a closet in their apartment. This device will also have a Cat-5e feed from the general communications room at the building and will serve as the main component for video distribution to the touch screens.

d. A handset will allow the owner to be in contact with the visitor at the door when the visitor arrives at the lobby. The system touch screens will be mounted in close proximity to the front door of each unit, and the handset will be mounted right next to the system touch screen.

e. There will be a touch screen that will be located at the entrance of the building and a touch screen at the vestibule entrance. These screens take the place of intercom panels that conventionally are at the entrance to a building.

f. The touch screen will function as a directory of apartments as well as a communication device from the entrance of the building to the apartments.

3. Keyscan Access System:

a. A keyscan access system will be provided.

Key tag readers will be mounted at the outside of the front door to the building, the vestibule door, and the package room in the main lobby.

b. The owners will use the access system by placing a key tag up to approximately 6" from each reader. All reads will be logged and are retrievable from the access program at any time.

4. Cyberdoorman:

a. A Cyberdoorman will accept deliveries, dry cleaning, groceries, packages, etc. when the Owner is not present. That is, an operator at the Central Station will speak to the visitor using an open-air two-way speaker and request identification and package recipient information. Once the identification is deemed appropriate, the operator will remotely open the lobby door, then the vestibule door, and then the package room door to receive the delivery.

b. The delivery will be left in the package room that can only be opened by an owner's access tag or Cyberdoorman for retrieval. The area is under constant watch to monitor all actions going into and coming out of the package closet.

c. All deliveries are logged manually and recorded individually and tagged as "clips" for easy retrieval in the future.

d. Once a delivery is received a phone call, fax, or e-mail will be sent to the owner, informing them that they have a package. The package can be retrieved at any time thereafter.

e. The owner may fill out a data sheet provided by Cyberdoorman, to give special instructions to Cyberdoorman regarding the Owner's deliveries.

17. PUBLIC AREA LIGHTING

Building entrances to the building at grade are provided with two light fixtures. Lobbies have been provided with ceiling mounted light fixtures. All lighting levels have been designed in accordance with the NYC Building Code and the housing Maintenance Code. These fixtures have been wired to the building house meter.

18. GARAGE AND PARKING AREAS – None Provided

19. SWIMMING POOL(S) – None Provided

20. TENNIS COURTS, PLAYGROUND AND RECREATION FACILITIES

1. Tennis courts and playground have not been provided.

2. An exercise room with a children's playroom has been provided on the cellar level.

21. PERMITS AND CERTIFICATES

1. The Certificate of Occupancy will be obtained upon the completion of the work filed under DOB, Type ALT-1, Application No.103820830,

2. Prior to obtaining a new or amended Certificate of Occupancy.

22. VIOLATIONS: - None

23. UNIT INFORMATION

1. Zoning Rooms

a. The building will contain 14 residential apartment units.

b. Total number of zoning or residential rooms, as defined by the General Provisions of the New York City Zoning Resolutions Section 12 – 10/Rooms, is 67 and are assigned as follows:

Apartment Type	Number of Units	Zoning Rooms per Unit	Total Zoning Rooms
2 BR	10	4.5	45
3 BR	4	5.5	22
TOTAL	14	-	67

2. Description of Units and Community Space

a. Each residential unit and the community space will consists of the area measured horizontally from the outside face of the exterior walls (perimeter mechanical pipes and columns are not deducted) to the centerline of the partitions separating one unit from another unit, corridors, stairs, elevators, and other mechanical equipment spaces or any common elements (as hereinafter defined), or to the unit side of the opposite exterior walls. Each residential unit will consist of the area measured vertically from the top of the concrete floor to the underside of the ceiling.

3. Lot Line Windows

a. Windows on the south walls of units "A" at the 4th and 5th floors and unit "B" at the 6th floor penthouse are lot line windows. Should the owner of adjacent properties construct a larger building, it is possible that the lot line windows, referenced above, would have to be infilled with masonry.

In the event of blocking up the lot line windows, neither the Certificate of Occupancy for the building nor the Building Code requirements for individual units will be affected.

b. Fire Protected Windows – Lot line windows are Fire Protected Windows with tempered glass and sprinklers at each window. These windows are fire-protected due to proximity to adjacent building.

24. FINISH SCHEDULE FOR TYPICAL APARTMENT

Space	Floor	Wall	Base	Ceiling	Remarks
Foyer	Wood	Paint	Wood	Paint	-
Living Room	Wood	Paint	Wood	Paint	-
Bedrooms	Wood	Paint	Wood	Paint	-
Kitchen	Stone or Ceramic Tile	Paint	Wood	Paint	-
Bathroom	Stone or Ceramic Tile	Paint and Stone or Ceramic Tile	Wood	Paint	-
Closets	Wood	Paint	Wood	Paint	-

25. FINISH SCHEDULE FOR OTHER SPACES

Space	Floor	Wall	Base	Ceiling	Remarks
Stairs	Deck Paint	Paint	Paint	Paint	-
Public Corridor	Vinyl or Carpet	Vinyl Wall Covering	Vinyl or Wood	Paint	-

26. BATHROOM AND KITCHEN FIXTURES

a. Master Bathroom Fixtures:

Lavatory:	Kohler "Linia" # K-2219-G Undercounter, Glazed 19 1/4" x 16 1/8" Vitreous China White (o) & Polished Chrome Pop Up Drain	or units of equivalent size and quality, or better.
Lavatory Set:	Kohler "Coralais" #K-15886-K/K-15850-4M (Lever Handles) Polished Chrome	or units of equivalent size and quality, or better.
Water Closet:	Kohler "San Martine" # K-3435, White (o) w/ Polished Chrome Trim	or units of equivalent size and quality, or better.
Tub:	a. Kohler "Maestro" Bath #K-839 66" x 32" x 18 ¼", White (o) w/ Polished Chrome Trim and Grip Rails b. At Penthouse Apartments Only: Kohler "Maestro" Whirlpool #K-842-H 66" x 32" x 18 ¼", White (o) w/ Polished Chrome Trim and Grip Rails	or units of equivalent size and quality, or better.
Tub Set:	Kohler Spout # K-15135-S "Coralais" in Polished Chrome w/ "Coralais" lever Handles (-4) in Polished Chrome	or units of equivalent Size and quality, or better.
Shower Set:	Kohler "Coralais" Spout # K-15136, Pressure Balancing Mixing Valve # K-1570-1-KS Showerhead # K-7941 All Polished Chrome	or units of equivalent Size and quality, or better.

Glass Shelves:	Three – Kholer "Revival" # K-16143 Polished Chrome	or units of equivalent size and quality, or better.
Toilet Tissue Holder:	One – Kohler "Revival", # K-16141, Polished Chrome	or units of equivalent size and quality, or better.
Soap Dish:	Two for lavatories, one for shower Kohler "Revival", # K-16142 Polished Chrome	or units of equivalent size and quality, or better.
Hand Towel Bar:	One – Kohler "Revival" # K-16140, Polished Chrome	or units of equivalent size and quality, or better.
Towel Bar:	One – Kohler "Revival" # K-16150, (24") Polished Chrome	or units of equivalent size and quality, or better.
Robe Hook:	Two – Kohler "Revival" K-16146, Polished Chrome	or units of equivalent size and quality, or better.
Medicine Cabinet:	Two – Mirrored Front Medicine Cabinets w/ Vanity Lights	or units of equivalent size and quality, or better.

b. 2nd Bathroom Fixtures:

Lavatory:	Kohler "Caxton" # K-2210-G Undercounter, Glazed 19 ¼ x 16 1/8" Vitreous China White (o) w/ Polished Chrome Pop Up Drain	or units of equivalent size and quality or better.
Lavatory Set:	Kohler "Coralais" # K-15815-K/K-15850-4P Lever Handles Polished Chrome	or units of equivalent size and quality or better.
Water Closet:	Kohler "Rialto" # K-3386, White (o) w/ Polished Chrome Trim	of units of equivalent size and quality or better.
Tub:	Kohler "Villager" # K-715 (Left) or # K-716 (Right) 60" x 30 ¼" x 14", White (o) w/ Polished Chrome Trim	or units of equivalent size and quality or better.

Tub Set	Kohler "Coralais" Spout # K-15136, Pressure Balancing Mixing Valve # K-15701-KS Showerhead # K-11742/K-7395 Heavy Duty Shower Curtain Rod All Polished Chrome	or units of equivalent size and quality or better.
Toilet Tissue Holder:	One – Kohler "Revival" # K-16141 Polished Chrome	or units of equivalent size and quality or better.
Soap Dish:	One for lavatory, one for shower Kohler "Revival", # K-16142 Polished Chrome	or units of equivalent size and quality or better.
Hand Towel Bar:	One – Kohler "Revival" # K-16140 Polished Chrome	or units of equivalent size and quality or better.
Towel Bar:	One – Kohler "Revival" # K-16150 (24") Polished Chrome	or units of equivalent size and quality or better.
Robe Hook:	One – Kohler "Revival" K-16146, Polished Chrome	or units of equivalent size and quality or better.
Medicine Cabinet:	One – Mirrored Front Medicine Cabinet w/ Vanity Lights	or units of equivalent size and quality or better.

c. Powder Room:

Lavatory:	Kohler "Portrait Padestal" # K-2221-8 White (o) 27" x 19 3/8" x 34" Polished Chrome Trim	or units of equivalent size and quality or better.
Lavatory Set:	Kohler "Coralais" # K-15886-K/K-15850-4M (Lever Handles) Polished Chrome	or units of equivalent size and quality or better.
Glass Shelves:	Two - Kohler "Revival" # K-16143 Polished Chrome Trim	or units of equivalent size and quality or better.
Toilet Tissue Holder:	One – Kohler "Revival" # K-16141 Polished Chrome	or units of equivalent size and quality or better.

Soap Dish:	One - Kohler "Revival" # K-16142 Polished Chrome	or units of equivalent size and quality or better.
Hand Towel Bar:	One – Kohler "Revival" # K-16140 Polished Chrome	or units of equivalent size and quality or better.
Water Closet:	Kohler "Rialtol" # K-3386, White (o) w/ Polished Chrome Trim	or units of equivalent size and quality or better.

d. Kitchen Appliances & Fixtures:

Refrigerator:	Kitchen Aid "Architect Series" # KSSC36QM-S-36", 20.9 cu.ft. Side by Side Dispensing Stainless Steel	or units of equivalent size and quality or better.
Range:	Kitchen Aid "Architect Series" # KGSA906P-30", 3.6 cu.ft. Oven Slide–In Stainless Steel	or units of equivalent size and quality or better.
Microwave:	Kitchen Aid Microwave/Hood Combination Oven # KHMS155L (ss) 1.5 cu.f. Stainless Steel	or units of equivalent size and quality or better.
Dishwasher:	Kitchen Aid "S Series" # KUDSO1FL w. Fully Integrated Console Door	or units of equivalent size and quality or better.
Sink:	Kohler "Undertone" #3325/K-3332 23" x 17 ½" x 7 5/8" Stainless Steel w/ Garbage Disposal Unit Whirlpool #GC5000XE and Kohler Faucet "Coralais" #K-15160 w/ Pull-Out Spray, Stainless Steel	or units of equivalent size and quality or better.

e. Washer Dryer Appliances:

Washer/Dryer:	G.E. Washer/Dryer # WSM2700D (27"), White, Electric Dryer	or units of equivalent size and quality or better.

27. SAFETY AND WARNING DEVICES

1. Apartment Smoke Detector System

a. Each apartment will contain a smoke detector located in the vicinity of the bedrooms. The detector is wired to a 120 volt local power supply and is self-contained with its own sounding device.

28. ASBESTOS

1. Pipe insulation containing asbestos will be removed at the cellar. An ACP7 Asbestos Form will be filed with DEP.

2. Floor tiles and roofing containing asbestos will be removed. An ACP5 Non-Asbestos Form will be filed with DEP.

3. All asbestos removal and filing will be performed to comply with DEP requirements.

29. LEAD BASED PAINT - Not Applicable

30. EXITSTING BUILDING

1. The existing main entrance is on Avenue of the Americas (6th Avenue). A secondary entrance is on Washington Place. The main entrance will be replaced with a new main entrance at Washington Place for the new residential floors. The secondary entrance will be replaced with a new entrance at Avenue of the Americas for the community space.

The existing building is a two-story building with a cellar. The building is constructed of wood joists and steel frame, wood floors, and masonry exterior walls. The first floor is occupied by commercial retail stores and the 2nd floor by community facilities offices.

2. The existing building is in fair condition. To the best of our knowledge there are no existing violations. The existing exterior front walls at Avenue of the Americas (6th Avenue) and Washington Place, at the first and 2nd floors will be demolished and new walls constructed. All the exterior east and south (rear) walls at the second floor will be demolished and new walls constructed. The roof and structural framing over the 2nd floor will be demolished and a new structural frame constructed to support the addition of the new residential floors above (refer to the structural section).

3. Existing Mechanical and Electrical:

The existing mechanical and electrical will be replaced due to the construction of the new residential building (refer to plumbing, drainage, heating; gas supply, air conditioning, ventilation, and electrical sections).

31. GENERAL COMMON ELEMENTS

1. The gas meter room will be a general common element. The incoming gas service is a general common element. Refer to the plumbing section for the breakdown of meters.

2. The sewage system will be a general common element throughout the building.

3. The water meter for domestic use will be a general common element throughout the building.

4. The fire services will be a general common element throughout the building. One service line enters on Avenue of the Americas (6th Avenue) and one enters on Washington Place. They go under the cellar ceiling to the fire pump room.

5. The sprinklers and Siamese connections serving the cellar and first floor, and the residential corridors, will be a general common element.

6. The electric room switch gear equipment will be a general common element. Refer to electric section for breakdown of service.

7. The following will be general common elements:

a. Electric Rooms
b. Gas and Water Meter Room
c. Fire Pump Room
d. Sewage Ejector Room
e. Compactor Room
f. Storage Room
g. Boiler Room
h. Exercise Room, Playroom, and Toilet
i. Corridors and Lobbies
j. Elevators
k. Exit Stairs
l. Trash Chute Vestibules
m. Lighting, Heating, and/or Plumbing in all General Common Elements Spaces

PETER CLAMAN, A.I.A., PARTNER
FOR SLCE *Architects*

(Signature)

(Architect's Seal)

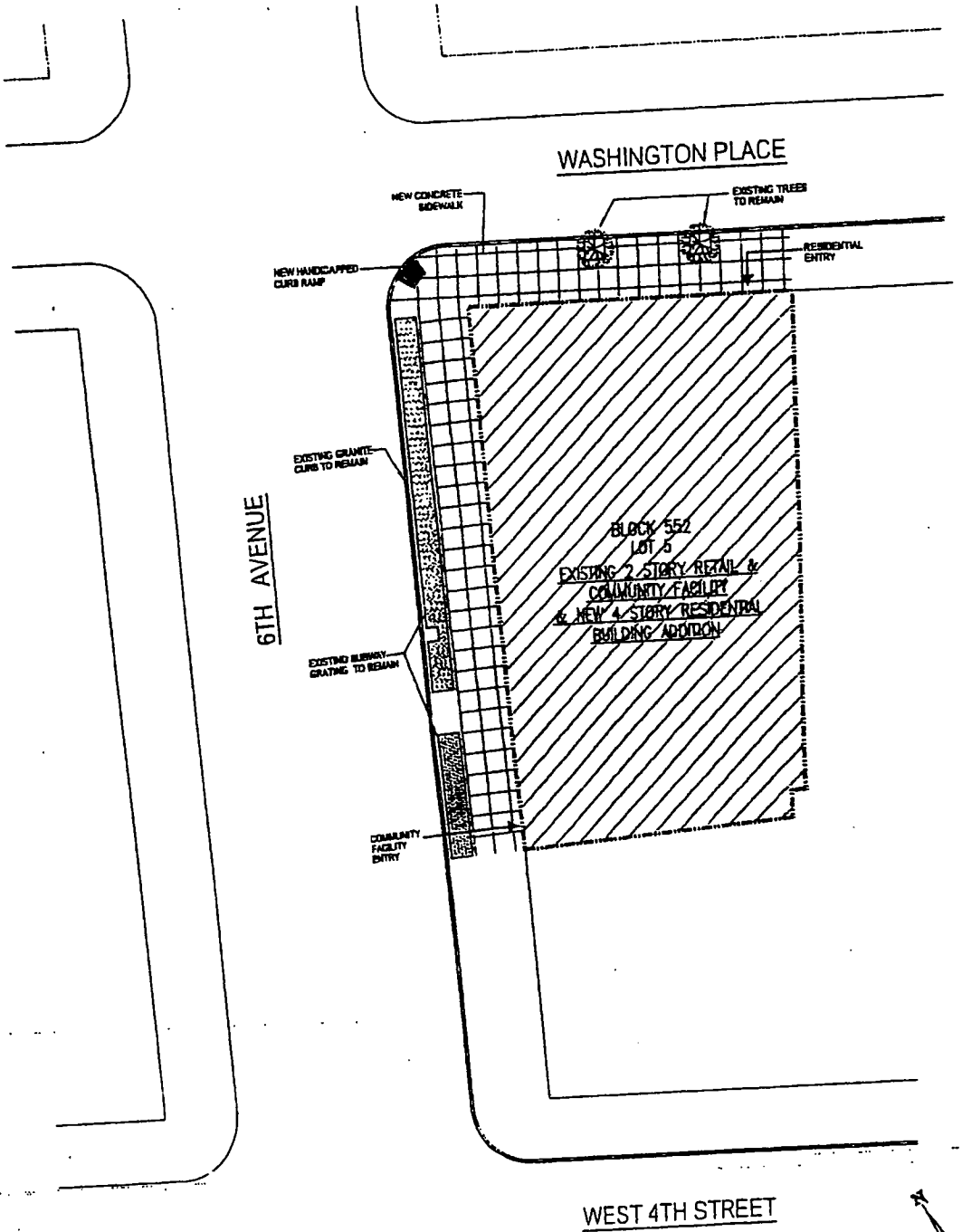
REGISTERED ARCHITECT
STATE OF NEW YORK

FLOOR PLANS OF UNITS AND OTHER FACILITIES

(Please note that all dimensions are approximate.)

88 WASHINGTON PLACE
WASHINGTON PLACE & 6TH AVENUE
NEW YORK, NY

SITE PLAN



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SCHUMAN LICHTENSTEIN CLAMAN EFRON
ARCHITECTS
541 BROADWAY, NEW YORK, NY 10003

88 WASHINGTON PLACE

WASHINGTON PLACE & 6TH AVENUE
NEW YORK, NY

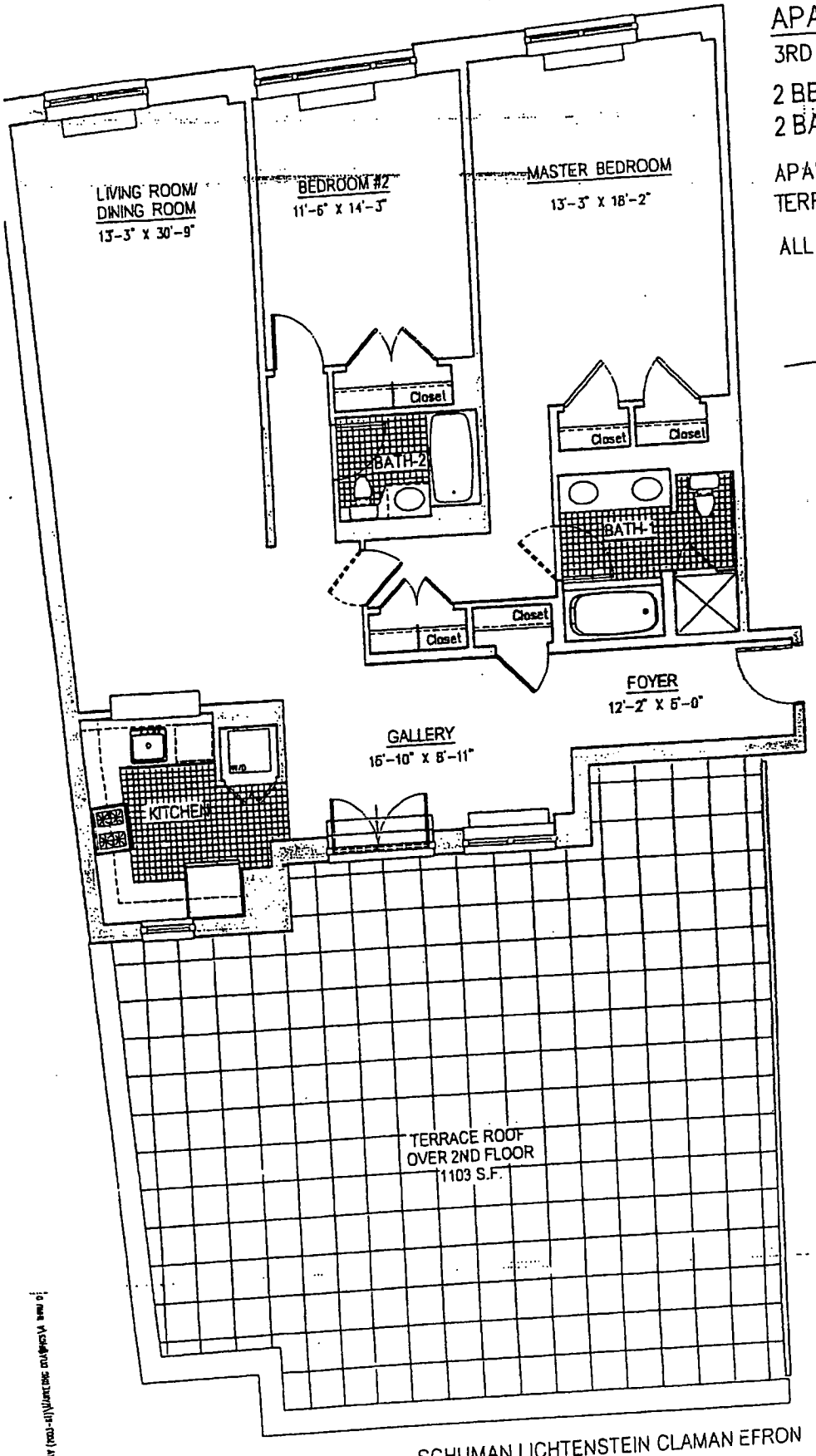
APARTMENT 3A

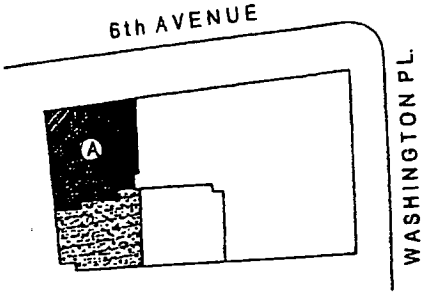
3RD FLOOR

2 BEDROOM
2 BATH

APARTMENT AREA = 1,645 S.F.
TERRACE AREA = 1099 S.F.

ALL DIMENSIONS ARE APPROXIMATE







0 2 4 10
1 3 5

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88 WASHINGTON PLACE

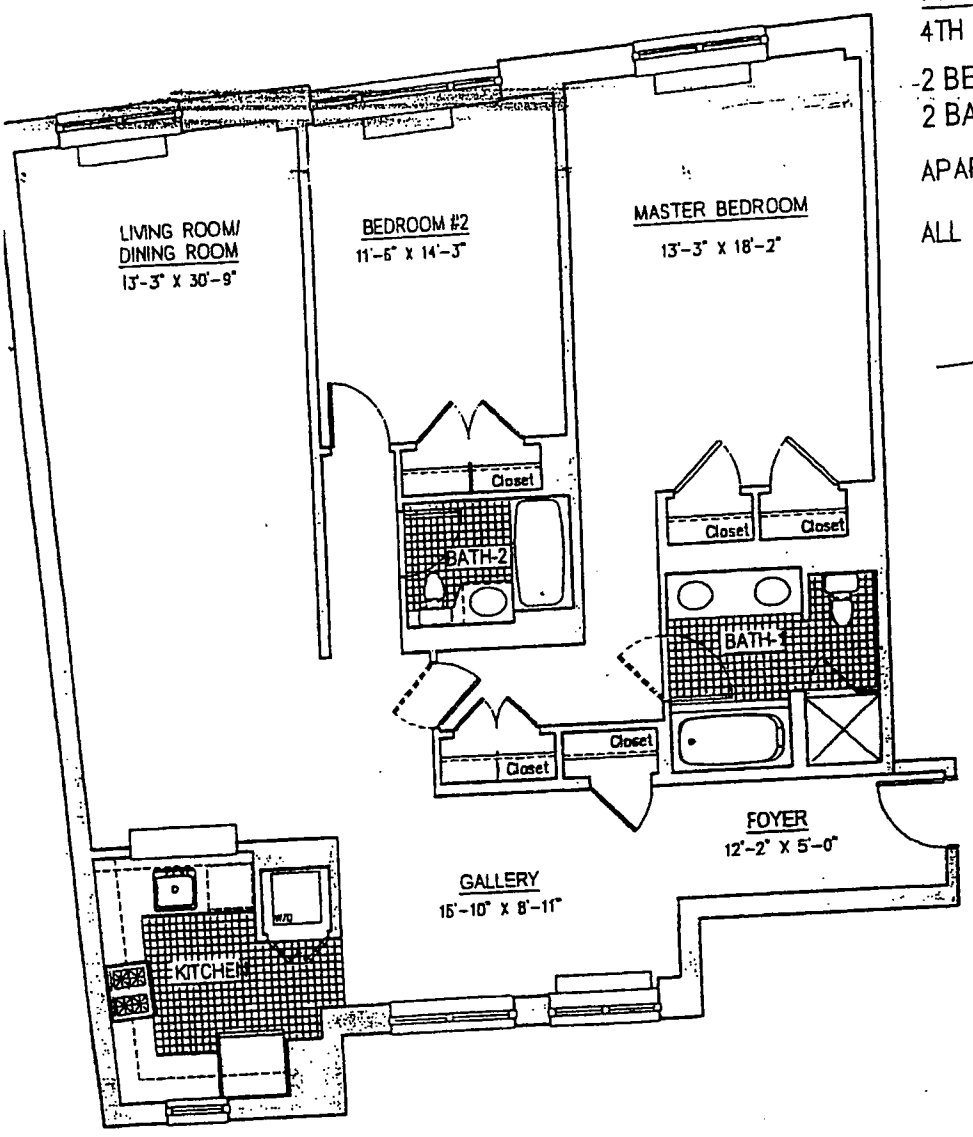
WASHINGTON PLACE & 6TH AVENUE
NEW YORK, NY

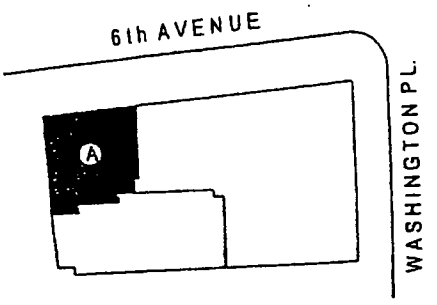
APARTMENT 4A, 5A

4TH & 5TH FLOOR
2 BEDROOM
2 BATH

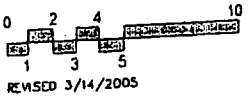
APARTMENT AREA = 1,645 S.F.

ALL DIMENSIONS ARE APPROXIMATE









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NEW YORK, NY

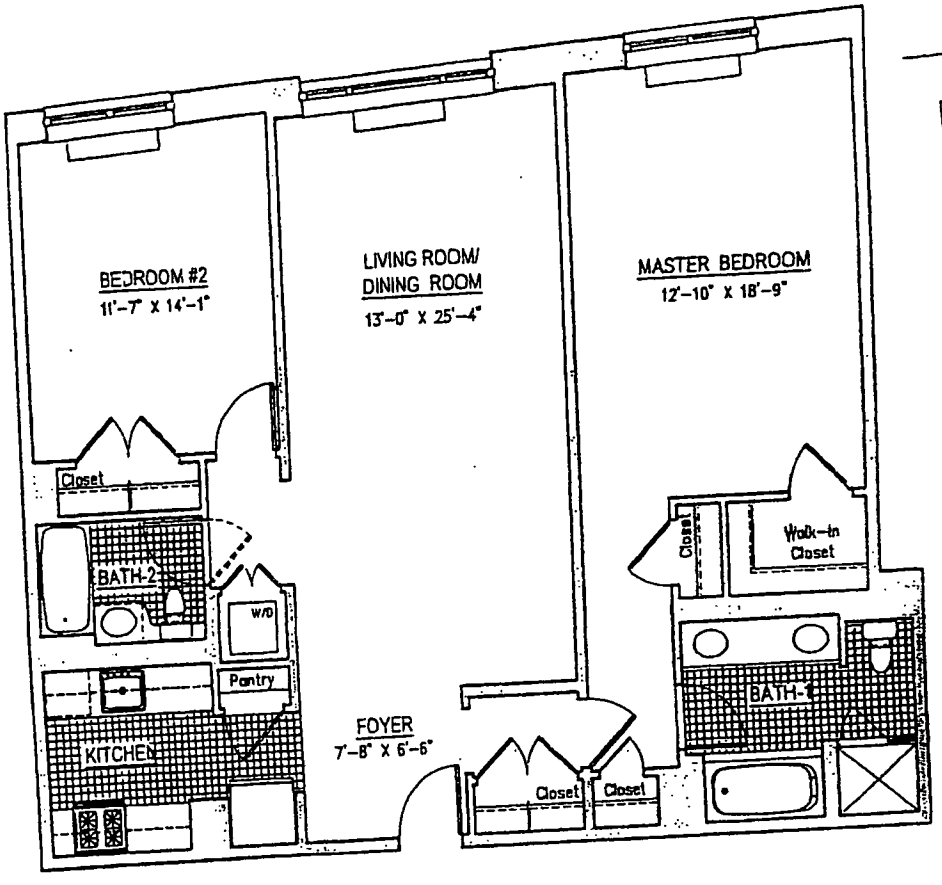
APARTMENT 3B, 4B, 5B

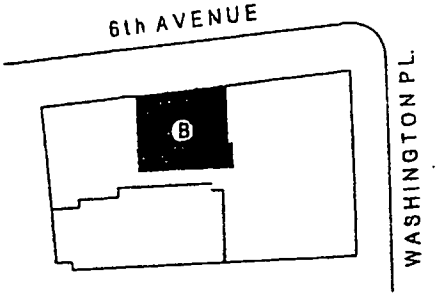
3RD, 4TH & 5TH FLOOR

2 BEDROOM
2 BATH

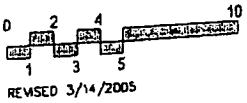
APARTMENT AREA = 1,339 S.F.

ALL DIMENSIONS ARE APPROXIMATE







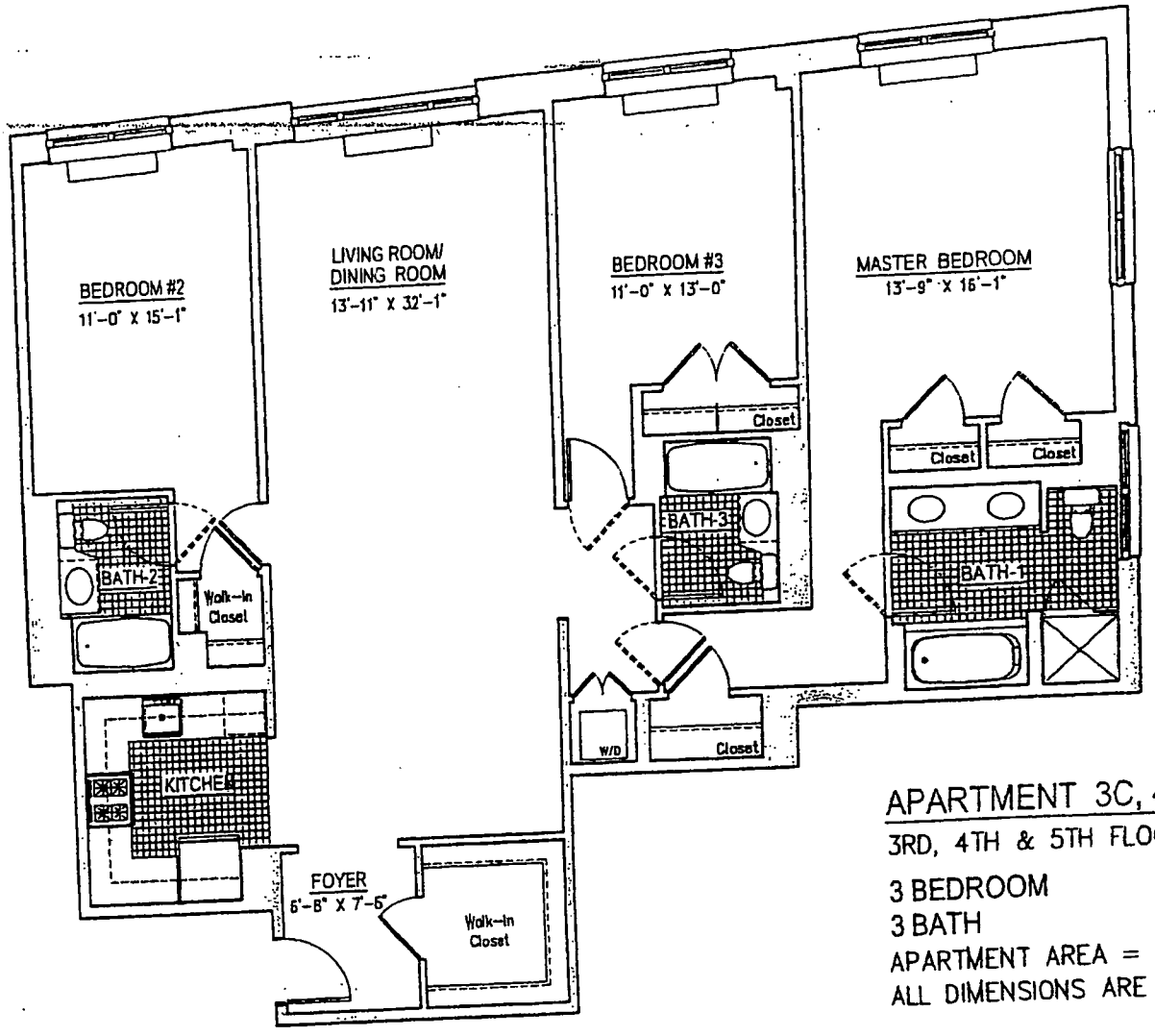


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88 WASHINGTON PLACE

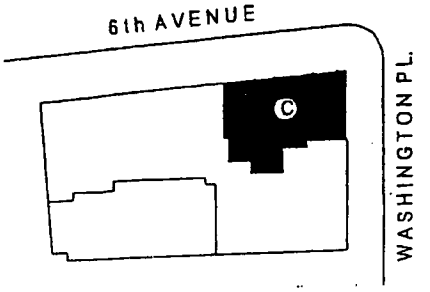
WASHINGTON PLACE & 6TH AVENUE
NEW YORK, NY

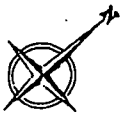


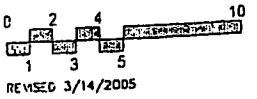
APARTMENT 3C, 4C, 5C

3RD, 4TH & 5TH FLOOR

3 BEDROOM
3 BATH
APARTMENT AREA = 1,800 S.F.
ALL DIMENSIONS ARE APPROXIMATE







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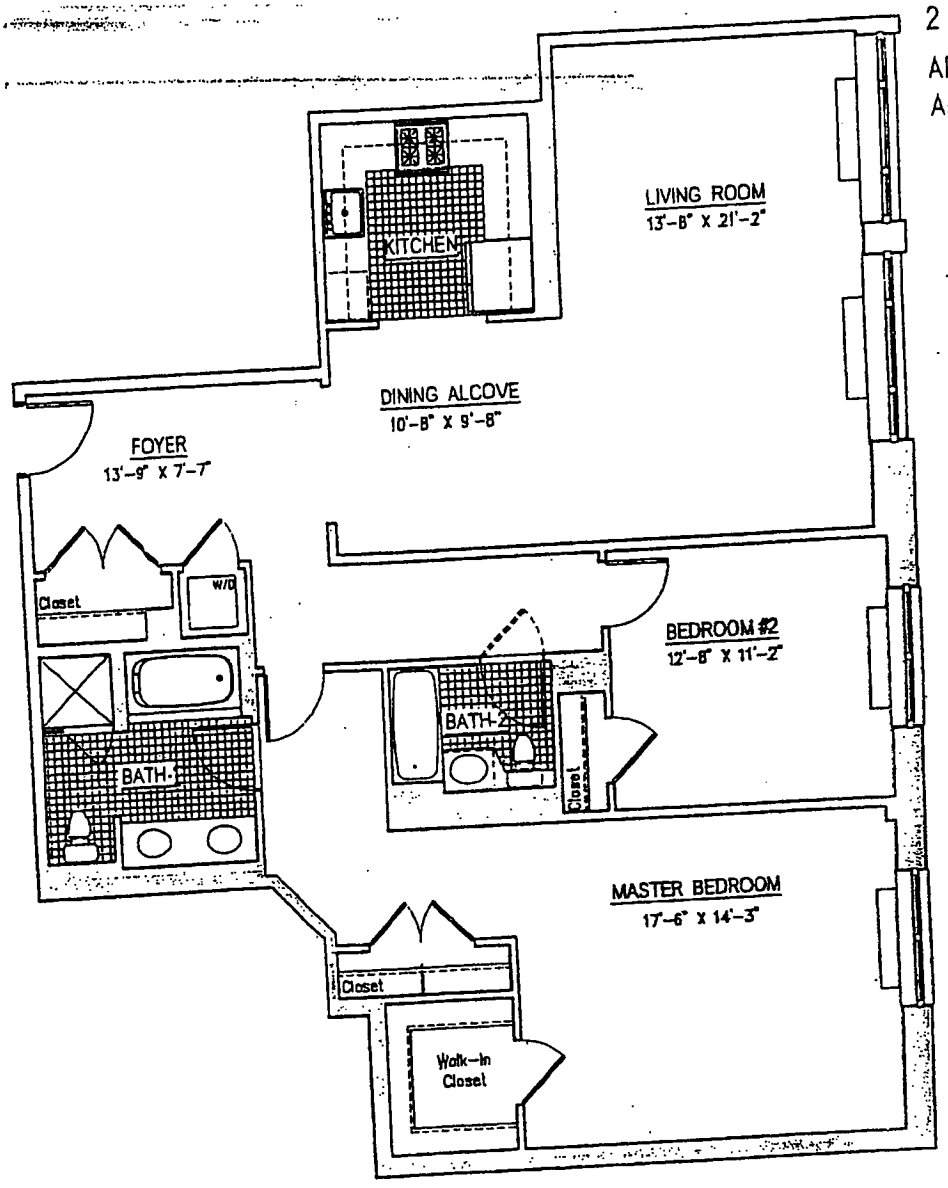
WASHINGTON PLACE & 6TH AVENUE
NEW YORK, NY

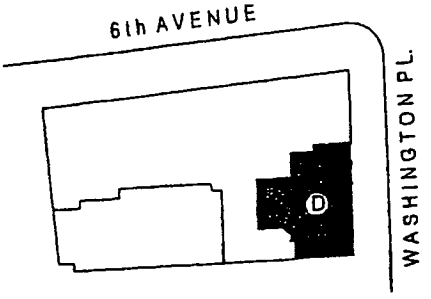
APARTMENT 3D, 4D, 5D

3RD, 4TH & 5TH FLOOR

2 BEDROOM
2 BATH

APARTMENT AREA = 1,577 S.F.
ALL DIMENSIONS ARE APPROXIMATE





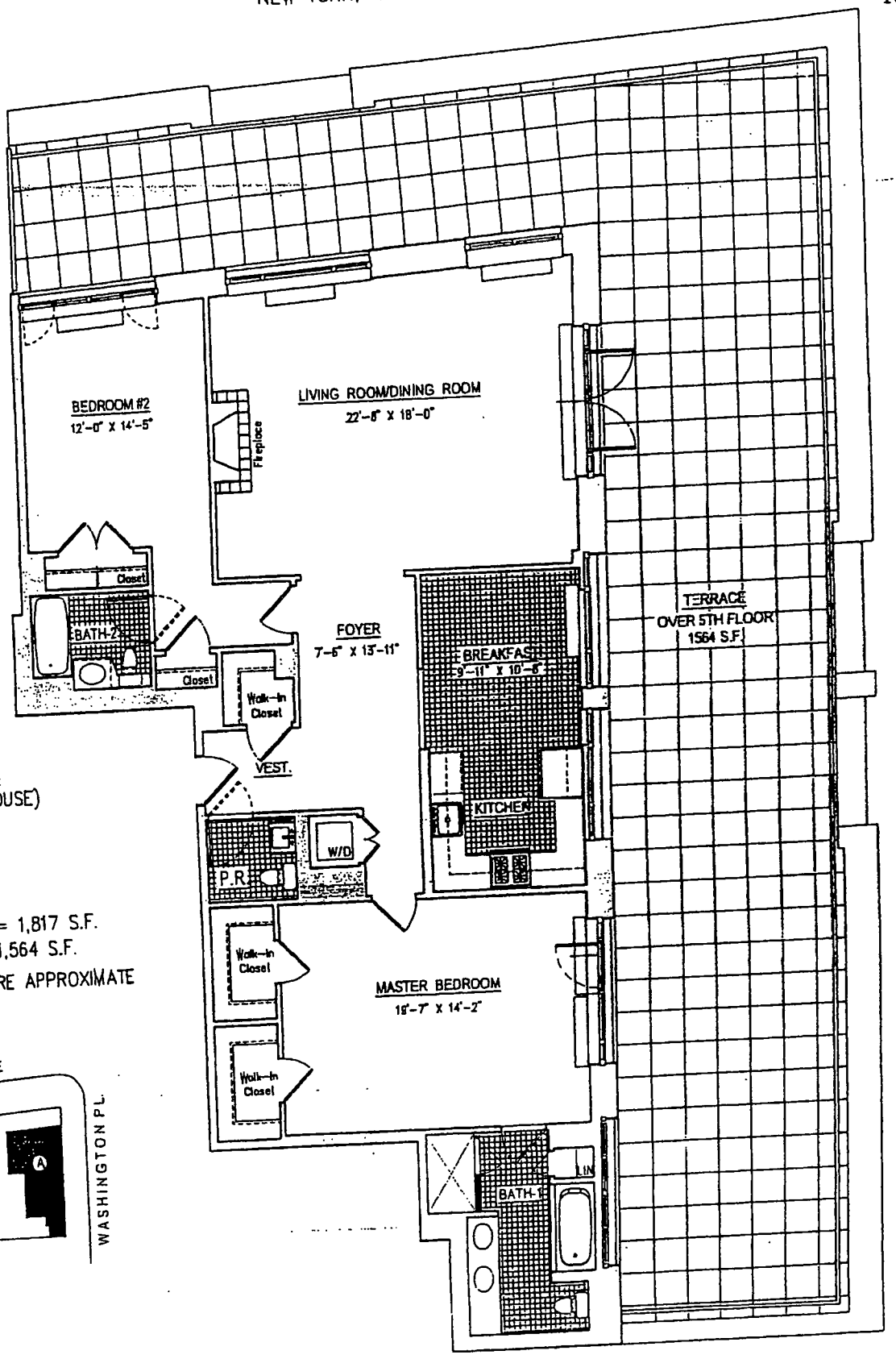
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88 WASHINGTON PLACE

WASHINGTON PLACE & 6TH AVENUE
NEW YORK, NY

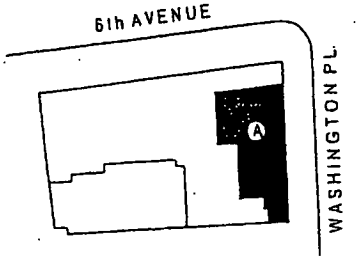


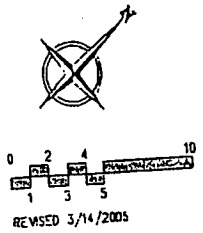
PENTHOUSE 6A

6TH FLOOR (PENTHOUSE)

2 BEDROOM
2 BATH
1 POWDER ROOM

APARTMENT AREA = 1,817 S.F.
TERRACE AREA = 1,564 S.F.
ALL DIMENSIONS ARE APPROXIMATE

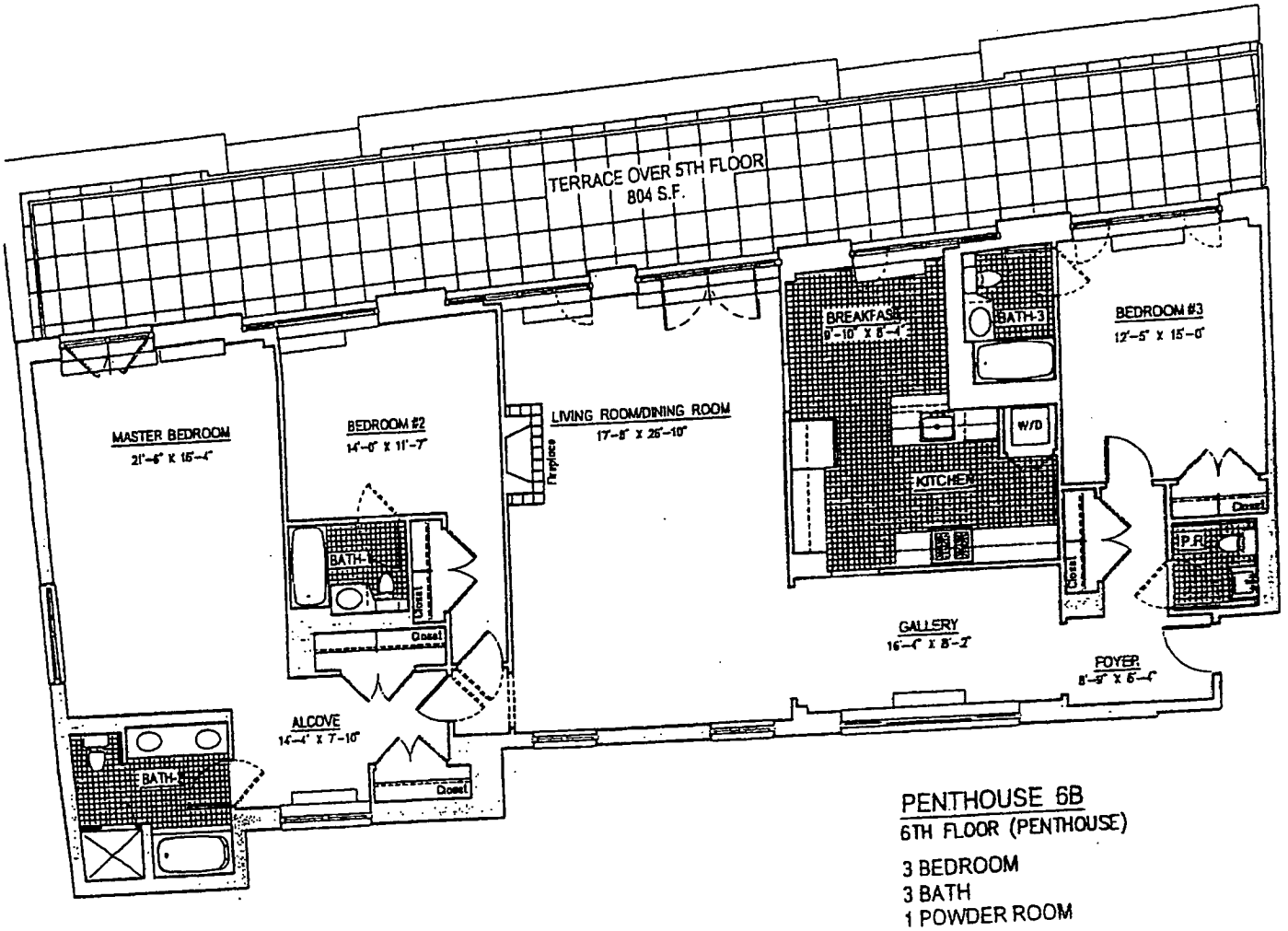




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NEW YORK, NY

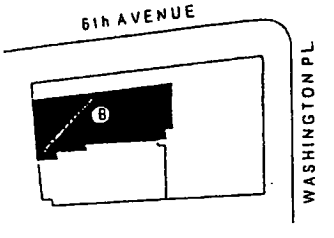


PENTHOUSE 6B

6TH FLOOR (PENTHOUSE)

3 BEDROOM
3 BATH
1 POWDER ROOM

APARTMENT AREA = 2,376 S.F.
TERRACE AREA = 804 S.F.
ALL DIMENSIONS ARE APPROXIMATE

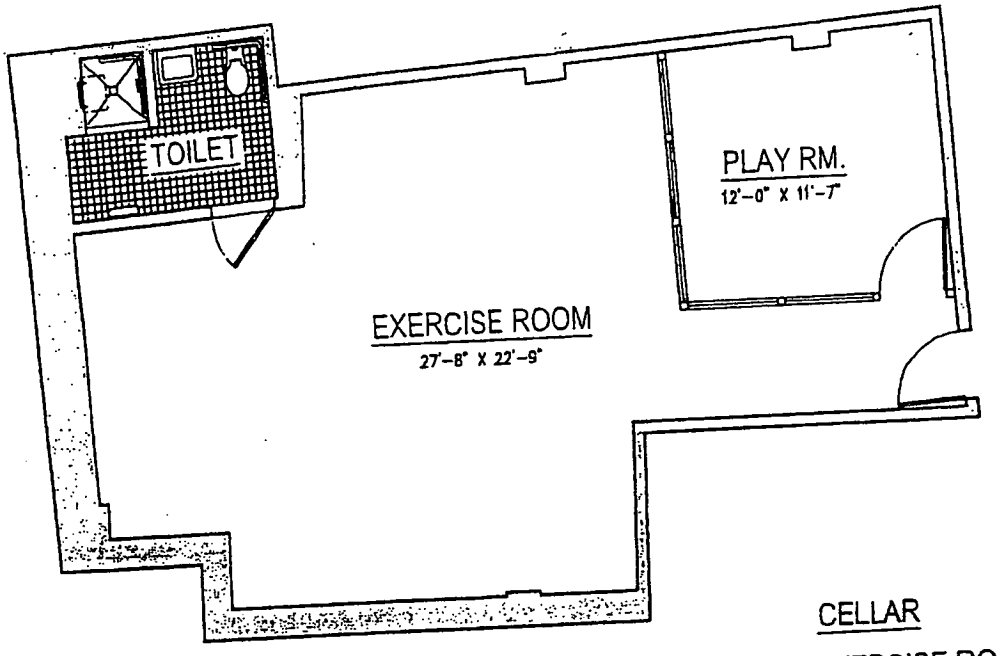


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88 WASHINGTON PLACE

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NEW YORK, NY

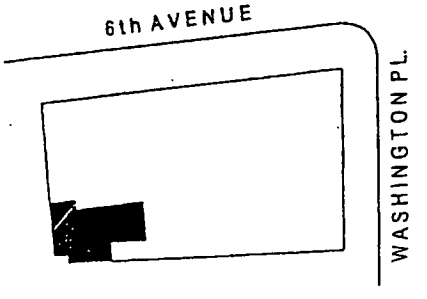


CELLAR

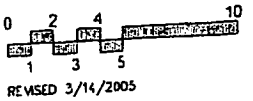
EXERCISE ROOM
AREA = 787 S.F.

1 PLAY ROOM
AREA = 144 S.F.

ALL DIMENSIONS ARE APPROXIMATE



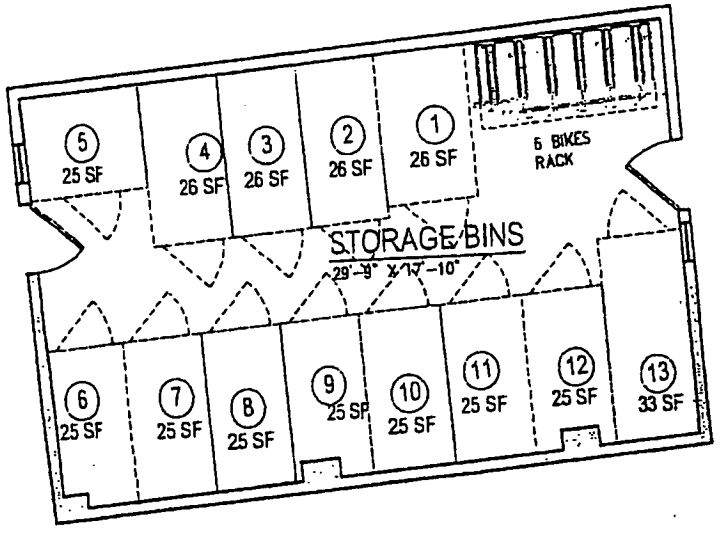




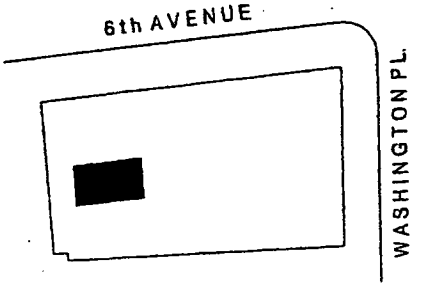
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ARCHITECTS
841 BROADWAY, NEW YORK, NY 10003

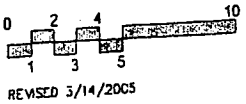
88 WASHINGTON PLACE
WASHINGTON PLACE & 6TH AVENUE
NEW YORK, NY



STORAGE BINS
CELLAR
AREA = 555 S.F.
ALL DIMENSIONS ARE APPROXIMATE







REVISED 3/14/2005

SCHUMAN LICHTENSTEIN CLAMAN EFRON
ARCHITECTS
541 BROADWAY, NEW YORK, NY 10003

AMENDMENT
TO
DESCRIPTION OF PROPERTY
FOR
88 WASHINGTON PLACE CONDOMINIUM
88 WASHINGTON PLACE
NEW YORK, NEW YORK 10012

April 28, 2005

1. There are no anticipated subsoil or ground water problems.

2. The lintels are steel angle lintels. The window sills at the 2nd floor are limestone and at the 3rd thru Penthouse (6th floor) they are aluminum. The bulkhead is enclosed by 12-inch brick, cavity, and concrete block walls with two aluminum windows and smoke vent louvers.

3. The elevator capacity in terms of people is as follows:

   a. One 2,500 lbs. residential elevator will have a platform with clear inside dimensions of 6'-8" x 4'-3". This cab can accommodate approximately five (5) to eight (8) persons.

   b. One 2,000 lbs. residential elevator will have a platform with clear inside dimensions of 5'-8" x 4'-3". This cab can accommodates approximately four (4) to seven (7) persons.

   c. One 2,000 lbs. elevator to the second floor community space will have a platform with clear inside dimensions of 5'-8" x 4'-3". This cab can accommodate approximately four (4) to seven (7) persons.

   In addition to the above, the residential elevators will travel at a speed of 100 feet per minute and the community space elevator will travel at a speed of 400 feet per minute. The elevator design conforms to New York City Code and Industry Standards.

4. The R-value for the exterior walls is R-14.

5. The commercial facility will be a brand new renovated space to be occupied by a future commercial tenant. The community facility will also be a brand new renovated space to be occupied by future medical offices, and/or any other Use Group and Community Facility as listed in Section 22-14 of the New York City Zoning Resolution.

Amendment to Description of Property – 88 Washington Place – Page 2

6. The residential building, the commercial space, and the community facility have separate entrances.

7. There is no special risk in the use of lot line windows. However, it is possible that in the future the adjacent property owner can build a new structure up to the property line and block the use of the lot line windows. All lot line windows are provided with a sprinkler head as per New York City Code Requirements.

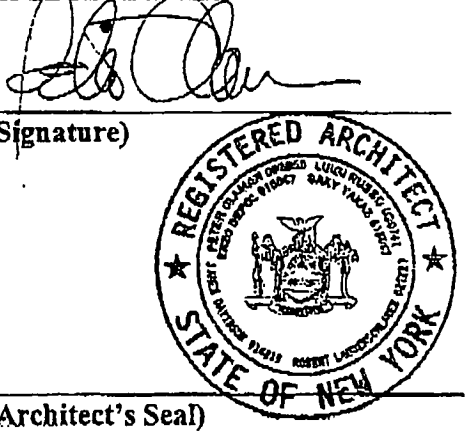
8. The wood floors are solid wood.

9. The Architect's plans were approved by the Department of Buildings of the City of New York.

10. The recreation rooms in the cellar cannot be used as bedrooms. To do so can result in a violation being posted against the building.

SUBMITTED BY:

Peter Claman, AIA, Partner
for SLCE Architects



(Signature)

(Architect's Seal)

EXHIBIT E

DECLARATION OF CONDOMINIUM

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DECLARATION OF CONDOMINIUM

Establishing a Plan for Condominium ownership
of the Premises known as
88 Washington Place Condominium
88 Washington Place
New York, New York 10011
Pursuant to Article 9-B of the Real Property
Law of the State of New York

Name: 88 Washington Place Condominium

Declarant:Ciao-Di Restaurant Corporation
c/o Friedberg Greener Cohen, LLP
444 Madison Avenue, Suite 805
New York, New York 10022

Date of Declaration: _____ __, 2006

Prepared by: Friedberg Greener Cohen, LLP
444 Madison Avenue, Suite 805
New York, New York 10022

The land affected by the within instrument
lies in Block 552 and Lot 5 on the Tax Map of the
Borough of Manhattan, City, County, and State of New York.

Record and Return To:

FRIEDBERG GREENER COHEN, LLP
444 Madison Avenue, Suite 805
New York, New York 10022
Attention: Richard N. Cohen, Esq.

INDEX TO DECLARATION

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PLAN OF CONDOMINIUM UNIT OWNERSHIP

Declaration of CIAO-DI RESTAURANT CORP.
Pursuant to Article 9-B of the
Real Property Law of the State of New York

In the Borough of Manhattan, County, City and State of New York, on this __ day of _____, 2006, CIAO-DI RESTAURANT CORP. organized and existing under the Laws of State of New York, with an office address c/o Friedberger Greener Cohen, LLP, 444 Madison Avenue, Suite 805, New York, New York 10022, hereinafter referred to as the "Sponsor," represented in the Declaration by Yvonne Wagner, President, who is fully empowered and qualified to execute this Declaration on behalf of the Sponsor, does hereby state:

Article 1
Definitions

Exhibit C annexed hereto contains the definitions for the capitalized terms contained in this Declaration.

Article 2
Submission of the Property

By this Declaration, the Sponsor submits the property described in this Declaration to the provisions of Article 9-B of the Real Property Law of the State of New York.

Article 3
Name of the Condominium

The name of the Condominium shall be the 88 Washington Place Condominium.

Article 4
The Land

The Land, which is located in the Borough of Manhattan in the City, County and State of New York and is more particularly described in Exhibit A annexed hereto and made part hereof, is owned by Declarant in fee simple absolute and has an area of approximately _____ square feet.

Article 5
The Building

The Building is being renovated on property owned by the Sponsor which was known by the street addresses of 350 Sixth Avenue and 88 Washington Place as Lot 5 of Block 552 on the official tax map of the City of New York. In order to develop the Condominium, Sponsor intends to add four new stories to the existing two story building, resulting in fourteen (14) residential units (the "Residential Units"), containing approximately 23,429 square feet of residential condominium space, fourteen Storage Units and two (2) commercial units (one of which shall qualify as a "community facility" under the New York City Zoning Resolution). The Residential Units will be located on the 3rd, 4th, 5th floors and on the penthouse level. Four Residential Units per floor will be built on floors three through five and two Residential Units will be located on the penthouse level. The residential lobby and elevators ("Residential Lobby") will be located on street level. There will be a separate elevator for access to the community facility. An exercise room and play room will be located on the lower level, below the street grade. The Condominium shall also include two commercial units ("Commercial Unit A" and "Commercial Unit B," collectively, the "Commercial Units." Commercial Unit A will be located on the street level and Commercial Unit B will be located on the second floor.

The Building will be a Class II Fire Protected Structure. The Building will have a concrete foundation and footings, a superstructure of precast concrete slabs on masonry load bearing walls. Access to the Residential Units is through a single lobby containing two passenger elevators. Commercial Unit A will have direct access to the street.

Article 6
The Units

(a) Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its designation number; (ii) its tax lot number; (iii) its approximate location in the Building; (iv) its approximate area; (v) the portions of the Common Elements, Residential Common Elements or Limited Residential Common Elements to which such Unit has immediate access; and (vi) the Common Interest appurtenant to such Unit. The precise location of each Unit within the Building is shown on the Floor Plans.

(b) Residential Units. The approximate physical dimensions of each Residential Unit shall consist of the area measured from the exterior side of the exterior walls (mechanical pipes/ducts/shafts have not been deducted from the calculation) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements, Residential Common Elements or Limited Residential Common Elements. Any Common Elements or Residential Common Elements located within a Unit shall not be considered a part of such Unit. As is customary in New York City, these square foot areas exceed the usable floor area of each Unit.

Measured vertically, each Residential Unit will consist of the volume of the top of the composite concrete on metal deck (located under the finished flooring and sub-floor material) to the underside of the pre-cast concrete plank of the floor above.

Each Residential Unit includes: (i) all doors located within the Unit, except all doors opening from the Unit to exit stairs, the elevator door, and the hopper door at the refuse chute; (ii) any interior walls, partitions, floors and floor coverings and gypsum board ceilings affixed, attached or appurtenant to such Unit, except where designated as a Common Element; (iii) all windows (including, without limitation, their panes, sashes hardware and frames) located within, or opening from such Unit; (iv) all branch piping, wiring, conduits or ducts serving only that Unit; (v) any and all equipment, fixtures and appliances affixed, attached, appurtenant to or exclusively serving such Unit regardless of the location of such equipment, fixtures and appliances; and (vi) all other facilities affixed, attached, appurtenant to such Unit and benefitting only that Unit.

However, any Common Element located within a Unit shall not be part of such Unit.

(c) Commercial Units. The approximate physical dimensions of each Commercial Unit shall consist of the area measured from the exterior side of the exterior walls (mechanical pipes/ducts/shafts have not been deducted from the calculation) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements, Residential Common Elements or Limited Residential Common Elements. Any Common Elements located within a Unit shall not be considered a part of such Unit. As is customary in New York City, these square foot areas exceed the usable floor area of each Unit.

Measured vertically, each Commercial Unit will consist of the volume from the top of the existing concrete foundation mat to the Unit side of the pre-cast concrete plank of the second floor, for Commercial Units A, and the volume from the top of the existing first floor slab to the Unit side of the pre-cast concrete plank, for Commercial Unit B.

Each Commercial Unit includes: (i) the front entrance and any other doors located within or opening from such Unit, except doors providing access to stairs and lobbies; (ii) any interior walls, partitions, floors and floor covering and gypsum board ceilings affixed, attached or appurtenant to such Unit, except where designated as a Common Element, Residential Common Element or a Limited Commercial Common Elements; (iii) all windows (including, without limitation, their panes, sashes, hardware and frames) located within, or opening from such Unit; (iv) all branch piping, wiring, conduits, or ducts serving only that Unit; (v) any and all equipment, fixtures and appliances affixed, attached, appurtenant to or exclusively serving such Unit regardless of the location of such equipment, fixtures, and appliances; and (vi) all other facilities affixed, attached, appurtenant to such Unit and benefitting only that Unit.

(d) Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner shall have the right, exercisable at any time and form time to time, to install, at such Unit

Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, and to install pipes and wiring within the walls enclosing the Unit provided that no such installation shall impair the structural integrity of the Unit or of the Building or any Common Element in terms of structure or compliance with applicable Codes, Laws, or regulatory requirements.

Article 7
Common Elements

(a) The Common Elements shall remain undivided and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-Laws.

(b) Generally, the Common Elements consist of all Common Elements, other than any Residential Common Elements, Limited Residential Common Elements and Limited Commercial Common Elements, if any, and include the following:

(i) the Land (as more particularly described in Exhibit A hereto), together with all consents, rights and privileges appurtenant thereto;

(ii) all foundations, footings, columns, concrete floor slabs and ceilings (except to the extent included as Residential Common Elements or Limited Residential Common Elements, Limited Commercial Common Elements or part of any Unit), beams, supports, and any load bearing walls, together with those portions of the exterior walls of the Building beyond the Unit side face of the gypsum board and the Unit side face of the glass or concealed block work or concealed steel structural members of those walls;

(iii) corridors and all fire staircases, landings and stairs which are not Residential Common Elements, Limited Residential Common Elements, Limited Commercial Common Elements or part of any Unit;

(iv) boiler room, electrical room, telephone room, gas meter room and fire pump room;

(v) general illumination fixtures and security systems;

(vi) cooling tower on the roof of the Building which services the common passages, hallways, stairs, corridors, mechanical and other areas and spaces located in the Building serving both the Residential Units and the

Commercial Units, which are not Residential Common Elements, Limited Residential Common Elements or part of any Unit and the enclosure which covers the cooling tower;

(vii) all passages, hallways, stairs, corridors, mechanical and other rooms, areas and spaces located in the Building serving both the Residential Units and the Commercial Units, which are not Residential Common Elements, Limited Residential Common Elements or part of any Unit.

(viii) the roof over the floor of the Building (except to the extent that a portion of the roof is comprised of a Residential Common Element or Limited Residential Common Element); and

(ix) all other parts of the Building and the apparatus, installations, systems, equipment and facilities in the Building (including pipes, shafts, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance of safety of both the Commercial Units and the Residential Units and which are not owned by another entity such as a supplier, servicer or installer of the systems.

(c) The Residential Common Elements include following:

(i) the passenger elevators (including the elevator shafts, pits, machinery and appurtenant facilities);

(ii) the residential lobby and entrance on the first floor of the Building;

(iii) passages, hallways, stairs and corridors to the extent any of same are for the exclusive use of the Residential Unit Owners;

(iv) the trash compactor room and refuse chute;

(v) electric panels, closets, feeders and risers serving the Residential Units exclusively;

(vii) all mechanical space and other rooms, areas and spaces located in the Building serving exclusively the Residential Units, the Residential Common Elements and the Limited Residential Common Elements and which are not Common Elements, Limited Residential Common Elements or a part of any Unit; and

(viii) all other apparatus, installations, systems, equipment and facilities in the Building (including pipes, shafts, wires, ducts, vents, cables, conduits and

lines) which serve or benefit exclusively the Residential Units and which are not owned by another entity such as a supplier, servicer or installer of the systems.

(d) The Limited Residential Common Elements include those portions of the Building available for the exclusive use of some but not all Residential Unit Owners and include the following:

(i) terraces appurtenant to Units PHA, PHB, 3-A; and

(ii) paved roof areas for the use of Unit PHA, PH-B; 3-A.

(e) The Limited Commercial Common Elements serve all of the Commercial Units collectively and indivisibly and consist of the following:

(i) All facilities which may in the future be located in or on the Property to serve or benefit the Commercial Units exclusively, including the elevator to the community facility.

Article 8
Determination of Common Interests

The percentage interest in the Common Elements of each Unit has been determined based upon the approximate proportion that the floor area of the Unit bears to the aggregate floor area of all Units, but reflecting the substantially exclusive advantages enjoyed by one or more but not all Units in a part or parts of the Common Elements on the date of filing the Declaration, the overall dimensions of such Unit, its uniqueness and location.

Article 9
Use of Units

(a) Each Unit may be used subject to the following limitations:

(i) Sponsor or its designee shall have the right, without permission of the Board or payment of a fee, to use any one or more of its Unsold Units as model units and offices for selling, renting, management, operation and promotion of the Unsold Units owned by it or for any other lawful purpose, subject only to compliance with the Law, which right includes changing the use of a Unit (i.e. residential to commercial and vice-versa) as long as the zoning for the Property and the then existing certificate of occupancy permit the proposed use or Sponsor or its designee obtains a zoning variance or other zoning relief and/or a new or amended certificate of occupancy to authorize such proposed use. However, no Unsold Unit shall be used as an adult entertainment establishment as defined in the New York City Zoning Resolution or for illegal, noxious or immoral purposes.

(b) (i) Within thirty (30) days after a person, other than natural person, becomes the owner of a Residential Unit, such non-individual owner shall notify the Managing Agent, in writing, of the name of the officer, director, stockholder, partner or individual designated by such owner to occupy its Residential Unit. The non-individual owner may change such designee from time to time by similar written notice to the Managing Agent. All designees must be bona fide officers, directors, stockholders, partners or employees of such owner and, under no circumstance, may more than one family occupy a Residential Unit at one time.

(ii) The limitations contained in this paragraph (b) do not apply to Unsold Units or to the Commercial Units or the owners thereof. Such units may be leased to any persons (whether individuals, corporation, partnerships, fiduciaries, sovereign government, consulates or other entities) and, in the case of Unsold Units, occupied by any person authorized by such lessee and approved by the owner of such Unsold Units, who is not required to comply with the designation notice requirement set forth in the preceding paragraph.

(c) The Commercial Units may be used for any purpose permitted under the Law, provided such use is not an adult entertainment, discotheque or dance club use or is not illegal, noxious or immoral. The owner(s) of the Commercial Units shall have the right to change the use thereof as long as the zoning for the Property and the then existing certificate of occupancy permit the proposed use or a zoning variance, other zoning approval, and/or a new or amended certificate of occupancy is obtained at the Commercial Unit Owner's sole cost and expense to permit the proposed use.

Article 10
Easements for the Enjoyment of the Common Elements

(a) Subject to the terms of the By-Laws and the Rules and Regulations, the Unit Owners (including Sponsor or its designee, as long as it owns any Unit), all other permitted tenants and occupants of the Building, the Selling Agent, the Managing Agent, the Condominium Board, and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing, shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Common Elements, and the Common Elements shall be subject to such easement. Notwithstanding the foregoing, no person shall use or enjoy the Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so.

(b) Notwithstanding anything to the contrary contained in paragraph (a) hereof, Sponsor and its successors, assignees, invitees, licensees, contractors, employees, agents and tenants shall have an easement in, over, under, through and upon the Common Elements to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale of renting of the Unsold Units. In addition, Sponsor shall have the right, to the extent not prohibited by Law, to use one or more portions of the Common Elements, as designated by Sponsor, in its sole discretion, for sales, rental, or display purposes which right shall include, without limitation, the right

to place "for sale," "for rent" and other signs and promotional materials, of such size and content as Sponsor shall determine, in, on, about and adjacent to the Building (including on the exterior walls thereof) and the Property.

(c) The Commercial Unit Owners (including the Sponsor or its designee) shall have an easement, to the extent permitted by Law, to erect, maintain, repair and replace, from time to time, one or more signs and/or canopies, of such size and content as the Commercial Unit Owners shall determine, on, about, or adjacent to the Property (including on the exterior walls of the Building) for the purpose of advertising the name of the tenant or occupant or the business conducted in the Commercial Units and/or any portion thereof, provided all necessary approvals for signage have been obtained.

(d) The Owners of Units PHA, PHB and 3-A shall have an exclusive easement to use and enjoy those portions of the Building roof surface that are designated for such use on the Floor Plans.

Article 11
Other Easements

(a) Subject to the terms of the By-Laws and the Rules and Regulations and to the terms of this Declaration, each Unit Owners shall have, in common with all other Unit Owners, an easement to use any of the Common Elements and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Elements and utility distribution system serves, or is necessary to the service of, such owner's Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, the Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes or the business of any tenants or occupants of the Commercial Units. Such entry shall be permitted on not less than one day's notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other Persons, or to avoid the suspension of any necessary service in the Building.

(b) Subject to the terms of the By-Laws and the Rules and Regulations and to the terms of this Declaration, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Residential Common Elements and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility distribution systems, whether or not the Residential Common Elements, are located in, over, under, through, adjacent to, or upon any other Unit or the Residential

Common Elements to the extent that such Residential Common Elements and utility distribution systems serves, or is necessary to the service of, such owner's Unit, and each Residential Unit and all of the Residential Common Elements shall be subject to such easement. In addition, the Condominium Board shall have an easement and a right of access to each Residential Unit and to the Residential Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Residential Common Elements located in, over, under, through, adjacent to, or upon the same, and each Residential Unit and the Residential Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not unreasonably interfere with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no such notice shall be necessary in th event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other Persons, or to avoid the suspension of any necessary service in the Building.

(c) Sponsor or its designee (for so long as either owns any Unit) reserves for itself and to the Commercial Unit Owners (as to the Commercial Units), and grants to the Condominium Board, on behalf of all Unit Owners, the right to grant such additional electric, gas, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor or its designee, the Commercial Unit Owners, or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof including (as to the Commercial Unit Owners) the Commercial Units or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes. Any utility company, as will as its officers, employees and agents, shall have a right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

(d) Each Unit, the Common Elements and the Residential Common Elements shall have easements of subjacency, support and necessity, and the same shall be subject to such easements in favor of all of the other Units, the Common Elements and the Residential Common Elements.

(e) If (i) any portion of the Common Elements or Residential Common Elements now encroaches upon any Unit or upon ant other portion of the Common Elements or the Residential Common Elements, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements or the Residential Common Elements, or (iii) any such encroachment shall hereafter occur as a result of (x) the settling or shifting of the Building, (y) any repair or alteration made to the Common Elements or the Residential Common Elements in accordance with the terms of this Declaration and the By-Laws by, or with the consent of, the Condominium Board, by Sponsor or Sponsor's designee or by the Commercial Unit Owners or (z) any repair or restoration made to the Building or any portion thereof, to any Unit, o the Common Elements or to the Residential

Common Elements, in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty or after any taking by condemnation or eminent domain proceedings, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Building, the affected Unit, the Common Elements or the Residential Common Elements, shall stand.

(f) In addition to the specific easements set forth in Article 10 and in this Article 11 hereof, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

Article 12
Changes in Units

(a) Sponsor or its designee shall have the right, to the extent not prohibited by Law, without obtaining the consent or approval of the Condominium Board, the Unit Owners, or mortgage representatives (if any):

(i) to make alterations, additions and/or improvements (whether structural or nonstructural, interior or exterior, ordinary or extraordinary) in, to and upon the Unsold Units, provided and on condition that:

(A) no physical modification shall be made to any other Units and Common Interests and interior dimensions of any other Units shall not be changed by reason thereof, unless the owner of any such other affected Unit shall consent thereto;

(B) Sponsor or its designee (as the case may be) shall comply with the Law;

(C) Sponsor or such designee (as the case may be) shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom; and

(D) such alteration, addition or improvement shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other Persons at the Property;

(ii) to change the layout, or number of rooms in, any Unsold Unit, provided and on condition that:

(A) Sponsor or its designee (as the case may be) shall comply with the Law; and

(B) Sponsor or its designee (as the case may be) shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom; and

(iii) to change the size and/or number of Unsold Units by (w) further subdividing one or more Unsold Units into two or more Unsold Units, (x) combining two or more separate Unsold Units (including, without limitation, those resulting from such subdivision or otherwise) into one or more Unsold Units, (y) altering the boundary walls of any Unsold Unit (including, without limitation, incorporating in the Unsold Unit a wall, space, hallway or other area forming a part of the Common Elements or the Residential Common Elements which services or benefits only such Unsold Unit and does not affect access to or egress any other Unit), or (z) otherwise, provided and on condition that the Plan is amended and:

(A) the Common Interest of any Unsold Unit affected by a change in size or number as a result of a combination of Unsold Units or subdivision of an Unsold Unit shall be appropriately reapportioned in accordance with the formula set forth in this Declaration (however, the Common Interest shall not change if any Unsold Unit's size is changed by altering its boundary walls);

(B) the Declaration and Floor Plans shall be appropriately amended to reflect the changes made to such affected Unsold Units and the reapportionment of the Common Interest for each, all in accordance with the Condominium Act;

(C) Sponsor or its designees (as the case may be) shall comply with the Law;

(D) Sponsor or its designee (as the case may be) shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom;

(E) if required by Section 339-(i) of the Condominium Act, the consent of all Unit Owners affected by such changes is obtained; and

(F) the total Common Interests of all Unsold Units shall remain unchanged, the Common Interest of any other Unit not owned by Sponsor or its designee shall not be changed without such Unit Owner's consent and the Common Interests of all Unit shall total 100%.

(b) the Commercial Unit Owners (including Sponsor or its designee) shall have the right, to the extent not prohibited by Law, without obtaining the consent or approval of the Condominium Board, other Unit Owners, or Mortgage Representatives (if any),

(i) to make alterations, additions and/or improvements (whether structural or nonstructural, interior or exterior, ordinary or extraordinary) in and to the Commercial Units, provided and on condition that:

(A) no physical modification shall be made to any other Units and the Common Interests and interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of any such other affected Unit shall consent thereto:

(B) the owner of the subject Commercial Unit shall comply with the Law;

(C) the owner of the subject Commercial Unit shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom;

(D) such alteration, addition or improvement shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other Persons at the Property; and

(E) no such alterations shall affect the exterior of the Building;

(ii) to change the layout of, or number of rooms in, the Commercial Units, provided and on condition that:

(A) the owner of the subject Commercial Unit shall comply with the Law; and

(B) the owner of the subject Commercial Unit shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom; and

(iii) to change the size and/or number of the Commercial Units by (w) subdividing such Commercial Units into additional Commercial Units, (x) combining two or more separate Commercial Units into one or more Commercial Units, (y) altering the boundary walls of the Commercial Units (including, without limitation, incorporating in such Commercial Units a wall, space, hallway or other area forming a part of the Common Elements if such incorporation does not affect access to any other Unit), or (z) otherwise, provided and on condition that:

(A) the Common Interest of any Commercial Units affect by such change in size or number shall be appropriately reapportioned in accordance with the formula set forth in this Declaration; however, the Common Interest shall not change if such Commercial Unit's size is changed by altering its boundary walls as described above;

(B) the Common Interests of all newly established Commercial Unites shall equal the Common Interest of the original Commercial Unit(s) being so subdivided;

(C) the Common Interest of the other Units shall not be changed by reason thereof without the consent of the affected other Unit Owners;

(D) the Common Interest of all Units shall equal 100%;

(E) the Declaration and Floor Plans shall be appropriately amended to reflect the changes made to such affected Commercial Units and the reapportionment of the Common Interest for each, all in accordance with the Condominium Act;

(F) the subject Commercial Unit Owners shall comply with the Law;

(G) the subject Commercial Unit Owner shall indemnify and hold harmless the Condominium Board and all other Unit Owner from any liability arising therefrom; and

(H) if required by Section 339-(i) of the Condominium Act, the consent of all Unit Owners affected by such changes is obtained.

Article 13
Acquisition of Units by the Condominium Board

If (i) any Unit Owner surrenders his Unit, together with its undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any Unit therefore acquired by the Condominium Board or the proceeds of the sale or lease hereof and such Unit Owner's interest, if any, in a Limited Residential Common Element, to the Condominium Board pursuant to the terms of the By-laws or of Section 339-x of the Condominium Act (collectively, the "Appurtenant Interests") or (ii) the Condominium Board, pursuant to the terms of the By-Laws or otherwise, either (x) acquires a Unit, together with its Appurtenant Interests, or (y) purchases a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title to such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit owned or leased by the Condominium Board or its designee, corporate or otherwise, shall be held by the Condominium Board or such designee on behalf of all Unit Owners, in proportion to their respective Common Interests.

Article 14
Power of Attorney to Sponsor and the Condominium Board

(a) Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, (i) Sponsor or its designee, to amend the Condominium Documents pursuant to the terms of Article 18 hereof and (ii) the Persons who shall from time to time constitute the Condominium Board, jointly:

(i) (a) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender the same pursuant to the terms of paragraph (C) of Section 6.2 of the By-Laws, (b) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a

foreclosure or other similar sale, (c) to acquire a Unit, together with its Appurtenant Interests, for the use and occupancy of a superintendent or otherwise, (d) to acquire or lease a Unit pursuant to the terms of Article 7 of the By-Laws, and (e) to acquire or lease any Unit, together with its Appurtenant Interest, in accordance with Section 2.4(xv) of Article 2 of the By-Laws, all on such terms, including (without limit) price or rental (with respect to any transfer pursuant to the terms of subdivision (b), (c), (d) or (e) of this paragraph) as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-on-fact may determine, granting to said attorneys-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present; and

(ii) to execute, acknowledge and deliver, and, if necessary, to cause to be recorded in the Office of the Register of New York County, (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planing Commission, the Board of Standard and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any agreement, consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

The acts of a majority of the Persons constituting the Condominium Board shall constitute the acts of such attorneys-in-fact.

(b) In confirmation fo the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form set forth as Exhibit E to this Declaration.

Article 15
Termination of Condominium

The Condominium shall continue until terminated by (i) casualty, loss, condemnation, or eminent domain, as more particularly provided in the By-Laws or (ii) withdrawal of the Property from the provisions of the Condominium Act by a vote of at lease eighty percent (80%) of all Unit Owners, both in number and in aggregate Common Interests. No such vote under clause (ii) in the preceding sentence shall be effective without the written consent of the Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed. Sponsor will not vote the aggregate Common Interest appurtenant to the Unsold Units for such withdrawal unless at least eighty percent (80%), both in number and in aggregate Common Interests, of all other Unit Owners so elect for such withdrawal, at which time Sponsor may choose to vote either in favor of, or against, withdrawal from condominium ownership, as it sees fit. In the event that said withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition

by an Unit Owner or lienor as if owned in common, in which event the new proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

Article 16
Covenant of Further Assurance

(a) Any Person subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or a sublesse of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, the Sponsor or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action, as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(b) If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that the Condominium Board, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of Sponsor or its designee, then Sponsor or its designee is hereby authorized as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person, as the case may be.

(d) Nothing contained in this Article 16 shall be in derogation of Section 339-(i) of the Condominium Act.

Article 17
Covenants to Run With the Land

(a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 17, 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 and interest therein, and all of the provisions thereof shall be binding upon and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his 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 succeeding to title, 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, conveyance, or lease.

(b). If any provision of this Declaration or of the By-laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

(c) Subject to the terms of paragraph (b) of this Article 17, if this Declaration and the By-laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall be nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest herein 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 18
Amendments to this Declaration

(a) Subject to the provision contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee or any Unsold Units, or the Commercial Unit Owners, (a) any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 66 2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws, (b) any provision of this Declaration affecting only the Unit Owners other than the Commercial Unit Owners may be added to, amended, modified or deleted by vote of at least 66 2/3% in number and in Common Interest of all Unit Owners other than the Commercial Unit Owners taken in accordance with the provisions of the By-Laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners affected and (c) any provision of this Declaration affecting only the Commercial Units or the Commercial Unit Owners may be added to, amended, modified or deleted by the Commercial Unit Owners. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions pursuant to the provisions of clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any; 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 Mortgage Representatives, if any; and no amendment, modification, addition or deletion pursuant to the provision of clause (c) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Commercial Unit Mortgage Representatives, if any. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee or any Unsold Units or the Commercial Unit Owners, any such amendment, modification, addition or deletion shall be executed by either (1) a member of the Board, (other than the members designated by the Commercial Unit Owners, hereinafter the "Residential Board") as attorney-in-fact for the Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact or (2) the members of the Board representing the Commercial Unit Owners (the "Commercial Board"), as the case may be. Subject to the rights of Sponsor or its designee under Articles 9, 10, 11, 12, 14, 15 and 16 of this Declaration and the Commercial Unit Owners under Articles 9, 10 and 12 of this Declaration, and subject further to obtaining the consent of Sponsor or its designee or the Commercial Unit Owners as provided in subparagraph (d) of this Article, Article 9, 10, 11, 12, 14, 15 and 16 of this Declaration may not be amended, modified, added to, or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above) eighty (80%) percent, both in number and in aggregate Common Interests, of all Unit Owners affected thereby

approve such amendment, modification, addition, or deletion.

(b) If the number of rooms in an Unsold Residential Unit is changed, or the size and/or number of Unsold Residential Units is changed (whether as a result of a subdivision or combination of Unsold Residential Units or alteration of boundary walls between Unsold Residential Units, or otherwise) and the appurtenant percentage interest in the Common Elements is reapportioned as a result thereof, all in accordance with Article 12 hereof, the Sponsor or its designee shall have the right to execute, or (upon request) to require any other Unit Owner or any Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to this Declaration (together with such order documents as Sponsor or its designee deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Residential Unit or in the size and/or number of Unsold Residential 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 Residential Board or the Condominium Board, the Unit Owners or the Mortgage Representatives, if any.

(c) If (a) the number of rooms in or the size of the Commercial Units is changed and the percentage interest in the Common Elements appurtenant to the Commercial Units is reapportioned among newly created commercial condominium Units resulting from any subdivision of the Commercial Units (or any combining of newly created Commercial Units) or (b) a Limited Commercial Common Element is designated as part of a newly created Commercial Unit or part of a Commercial Units is designated as a newly created Limited Commercial Common Element, all in accordance with Article 12 hereof, then the Commercial Unit Owners shall have the right execute, or (upon their request) to require any other unit Owner or wither Board to execute, and record in the City Register's Office, and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as the subject Commercial Unit Owner deems appropriate to effectuate the same) reflecting (i) such change in the number of rooms in the Commercial Units, the size of the Commercial Units or the subdivision of the Commercial Units into separate commercial condominium units (or the subsequent combination of such newly created commercial condominium units) and the reapportionment of the percentage interest in the Common Elements among such newly created commercial condominium units or (ii) such designation of a Commercial Limited Common Element as a newly created commercial condominium unit or such designation of part of a Commercial Units as a newly created Commercial Limited Common Element, all without the approval of the Condominium Board, the Unit Owners or the Mortgage Representative, if any.

(d) Amendments, modifications, additions or deletions of or to this Declaration, the By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Units or the subdivision of the Commercial Units into separate commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Units and it is contemplated that in connection therewith the Commercials Unit Owners will cause this Declaration, the By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provision thereof may be similar or dissimilar to those affecting the other Units or other Unit Owners. In the case of any such amendment, modification,

addition or deletion which does not adversely affect th other Units or the other Unit Owners, the Commercial Unit Owners shall be the attorney-in-fact for the other Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument affecting such amendment, modification, addition or deletion.

(e) The provisions of (a) and (b) may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or its designee, and the provisions of (a), (b) and (d) may not be modified, amended, added to or deleted, in whole or in part, without the consent of the Commercial Unit Owners.

Article 19
Consent of Sponsor

Wherever the consent, approval, satisfaction, or permission of Sponsor or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor or such designee no longer owns any Units.

Article 20
Designation of Agent to Receive service

The Secretary of Sate, as agent of the Board of Managers, and any successor to the jurisdiction thereof, is hereby designated to receive service of process in any action that may be brought against the Condominium.

Article 21
Incorporation by Reference

The terms, covenants, conditions, descriptions and other information contained in (i) the Property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Owner's Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

Article 22
Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breached that may occur.

Article 23
Severability

Subject to the provisions of paragraphs (b) and (c) of article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provision of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

Article 24
Successors and Assigns

The rights and/or obligations of, and limitations imposed on, Sponsor or its designee as set forth herein shall inure to the benefit of, and shall be binding upon, the respective successors and assigns shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of Sponsor or its designee (as the case may be), but a Unit Owner who is not so designated by Sponsor or its designee in writing shall not exercise any of the special rights, powers or privileges reserved to Sponsor or its designee in this Declaration or the By-Laws. The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon and successor assign of such Commercial Unit Owners. Subject to the foregoing, Sponsor or its designee (as the case may be) shall each have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment, or otherwise. Notwithstanding the foregoing, any Permitted Mortgagee of a Unit or a purchaser at a foreclosure sale of a Permitted Mortgagee who succeeds to the interest of a Unit Owner shall be responsible only for the obligations of such Unit Owner arising from or after the effective date of succession to title to such Unit and shall not be liable for any unpaid Common Charges or Special Assessments owing prior thereto.

Article 25
Certain References

(a) 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.

(b) 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.

(c) Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

Article 26
Captions

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the ___ day of _____, 2006.

CIAO-DI RESTAURANT CORPORATION

By: _____
Name:
Title:

STATE OF NEW YORK }
} ss:
COUNTY OF NEW YORK }

On the ___ day of _____ in the year 2006 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 upon behalf of which the individual(s) acted, executed the instrument.

_____
Signature and Office of individual
taking acknowledgment

EXHIBIT A TO
THE DECLARATION OF CONDOMINIUM FOR
88 WASHINGTON PLACE CONDOMINIUM

DESCRIPTION OF THE LAND

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN, CITY, COUNTY AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE SOUTHERLY SIDE OF WASHINGTON PLACE AND THE EASTERLY SIDE OF AVENUE OF THE AMERICAS;

RUNNING THENCE SOUTHERLY 131.99 FEET TO A POINT DISTANT 61 FEET NORTHERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY SIDE OF WEST 4TH STREET AND THE EASTERLY SIDE OF AVENUE OF THE AMERICAS;

THENCE EASTERLY AT RIGHT ANGLES TO AVENUE OF THE AMERICAS 67.20 FEET;

THENCE NORTHERLY ALONG A LINE WHICH ON ITS WESTERLY SIDE MAKES AN ANGLE OF 93 DEGREES 32 MINUTES 38 SECONDS WITH THE LAST MENTIONED COURSE 6.75 FEET;

THENCE EASTERLY ALONG A LINE WHICH ON ITS SOUTHERLY SIDE MAKES AN ANGLE OF 89 DEGREES 36 MINUTES 43 SECONDS WITH THE LAST MENTIONED COURSE 3.31 FEET;

THENCE NORTHERLY ALONG A LINE AT RIGHT ANGLES TO WASHINGTON PLACE 120.35 FEET TO A POINT ON THE SOUTHERLY SIDE OF WASHINGTON PLACE DISTANT 79.33 FEET FROM THE CORNER FORMED BY THE INTERSECTION OF THE SOUTHERLY SIDE OF WASHINGTON PLACE AND THE EASTERLY SIDE OF AVENUE OF THE AMERICAS;

THENCE WESTERLY ALONG SAID SOUTHERLY SIDE OF WASHINGTON PLACE 79.33 FEET TO THE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

EXHIBIT B
TO THE DECLARATION OF
THE 88 WASHINGTON PLACE CONDOMINIUM

(TO FOLLOW)

EXHIBIT C TO
THE DECLARATION OF CONDOMINIUM FOR
88 WASHINGTON PLACE CONDOMINIUM

DEFINITIONS

(1) "Appurtenant Interest" shall mean, with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in questions by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

(2) "Board shall mean the Condominium Board.

(3) "Building" shall mean the building situated on the Land and known as 88 Washington Place, New York, New York.

(4) "By-Laws" shall mean the By-Laws of the Condominium, which are annexed as Exhibit D to this Declaration, as the same may be amended form time to time pursuant to the terms thereof.

(5) "Commercial Unit" shall mean the Commercial Units, as such term is defined in the Condominium Act, constituting the Units located in a portion of the cellar and the first floor of the Building (the " Commercial Units").

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

(7) "Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided int eh Declaration or in the By-Laws), to meet the Common Expenses.

(8) "Common Elements" shall mean those certain portions of the Land and the Building (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in paragraph (a) of Article 7 of this Declaration.

(9) "Common Expenses" shall mean all costs and expenses to be incurred generally by

(i) all Unit Owners pursuant to this Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements; (ii) the establishment and/of maintenance of a general operating reserve or a reserve fund for working capital, for replacements with respect to the Common Elements or to make up any deficit in the Common Charges for any prior year(s); or (iii) the purchaser, lease, or sublease by the Condominium Board or its designee, corporate or otherwise of any Unit in accordance with the By-Laws and the Deceleration; and (iv) generally, the conduct of the affairs of the Condominium.

(10) "Common Interest" shall mean the proportionate, undivided percentage interest in fee simple absolute of each Unit in the Common Elements.

(11) "Condominium" shall mean the 88 Washington Place Condominium, which is being established pursuant to the terms of the Declaration and is to be governed pursuant to the terms of the By-Laws.

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

(13) "Condominium Board" shall mean the governing body of the Condominium, the members of which shall be elected pursuant to the terms of Articles 2 and 4 of the By-Laws.

(14) "Condominium Documents" shall mean the Declaration, the By-Laws and the Rules and Regulations as the same may be amended from time to time, and all exhibits thereto.

(15) "Declarant" shall mean Paxton 350, LLC and Ciao-Di Restaurant Corporation, each a New York limited liability company, having an office at c/o 444 Madison Avenue, Suite 805, New York, New York 10022.

(16) "Declaration" shall mean the declaration executed by Declarant for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof.

(17) "Facilities" shall mean all personal property fixtures now or hereafter existing on, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property . For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all systems, equipment, apparatus, boilers, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut-off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers,

transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, riser, mains, shafts, pits, flues, locks, hardware, racks, screen, strainers, traps, drains, catch basins, leaders, filters, incinerators, compactors, canopies, closets, cabinets, doors, railing, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor covering, draperies, shades, window coverings, wallpaper, wall coverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

(18) "Family Members" shall mean the spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law and grandparents of a Unit Owner who reside in such Unit Owner's Unit.

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

(20) "Floor Plans" shall mean the floor plans of the Units certified by Richard Cook & Associates, Architects, and filed in the Register's Office simultaneously with the recording of this Declaration, together with any supplemental floor plans thereto.

(21) "Initial Control Period" shall mean the period ending on the earlier of: (i) five years after the First Closing or (ii) the closing of title with purchasers under the Plan to Residential Units having more than ninety (90%) percent of all Residential Units based upon aggregate Residential Common Interests.

(22) "Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, credit union, insurance company, real estate investment trust, or mortgage trust or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

(23) "Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or its designee or an Institutional Lender.

(24) "Limited Trustee" shall mean a bank or a trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of $50,000,000 or more, from time to time appointed to serve as such by the Condominium Board.

(25) "Limited Common Elements" shall mean the portions of the Common Elements which are for the exclusive or shared use of one or more Units, but less than all of the Units and shall include the Residential Common Elements, the Limited Residential Common Elements and the Limited Commercial Common Elements, if any.

(26) "Residential Unit Owner" shall mean any Person who holds fee title of record, to a

Residential Unit at the time in question.

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

(28) "Law" shall mean the applicable laws and ordinances of any or all of the Federal, New York State, New York City, New York County and Borough of Manhattan governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, quasi-governmental or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

(29) "Managing Agent" shall mean a Person employed by the Condominium Board pursuant to paragraph (C) of Section 2.6 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in paragraph (D) of Section 2.6 of the By-Laws.

(30) "Majority of Unit Owners" shall mean those Unit Owners having more than 50% in Common Interest and in aggregate number of units, qualified to vote (as determined in accordance with the terms of Section 4.8 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners, at which a quorum is present.

(31) "Mortgage Representatives" shall mean the representative of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of paragraph (B) of Section 8.6 of the By-Laws.

(32) "Permitted Mortgage" shall mean any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in Article 8 of the By-Laws.

(33) "Permitted Mortgage" shall mean any holder of a Permitted Mortgage at the time in question.

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

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

(36) "Property" shall mean the Land, the Building, all other improvements erected or to

be erected on the Land, all easements, rights and appurtenances belonging thereof and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

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

(38) "Residential Common Interests" shall mean those Common Interests attributable to Residential Units.

(39) "Residential Unit" shall initially mean any of the fourteen (14) Units located on the second through seventh floors of the Building, These Units are more particularly described in Article 6 of, and Exhibit B to, the Declaration and in the Floor Plans. The term "Residential Units" shall mean more than one or all of the Residential Units, as herein above described.

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

(41) "Selling Agent" shall mean or any other Person employed by Sponsor or its designee in connection with the sale, renting, management, operation and/or promotion of the Unsold Units.

(42) "Special Assessments" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with paragraph (C) of Section 6.1 of the By-Laws.

(43) "Sponsor" shall mean PAXTON 350, LLC and CIAO-DI RESTAURANT CORPORATION, each having and an office c/o Friedberg Greener Cohen, LLP, 444 Madison Avenue, Suite 805, New York, New York 10022

(44) "Unit" shall have the same meaning as is given in the Condominium Act, and shall refer initially to any of the four (4) Commercial Units or any one of the fourteen (14) Residential Units.

(45) "Units" shall mean more than one Unit or all of the Units.

(46) "Unit Owners" shall mean the owners of all Units at the time in question.

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

(48) "Unsold Units" shall mean more than one Unsold Unit.

EXHIBIT F

CONDOMINIUM BY-LAWS

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BY-LAWS OF

88 WASHINGTON PLACE CONDOMINIUM

Borough of Manhattan, City, County and State of New York

_____, 2006

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BY-LAWS
OF
88 WASHINGTON PLACE CONDOMINIUM

ARTICLE 1

GENERAL

Section 1.1 Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the 88 Washington Place Condominium (the "Condominium"). The Condominium covers the Property, which consists of: (i) the Land, which lies in Block 552, Lot 5 on the Tax Map of the Borough of Manhattan, City, County and State of New York; (ii) the Building, which includes, without limitation, the Units, the Common Elements, the Limited Common Elements and all easements, rights and appurtenances belonging thereto; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part.

Section 1.2 Definitions. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are used otherwise requires. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used otherwise requires. Each of the aforedescribed capitalized terms shall be applicable to singular and plural nouns, as well as to verbs of any tense.

Section 1.3 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 Application of By-Laws. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations annexed hereto, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be compiled with.

Section 1.5 Principal Office of the Condominium. The principal office of the Condominium shall be located either at the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by the Board (as hereinafter defined).

ARTICLE 2

THE BOARD OF MANAGERS

Section 2.1 General. As more particularly set forth in Section 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be managed by the Board of Managers (the "Board") as provided in Section 2.17 hereof. In exercising its powers and preforming its duties under the Declaration and theses By-Laws, the Condominium Board shall act as, and shall be, the agent of all the Unit Owners.

Section 2.2 Status of the Board. Unless and until the Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Board shall have, to the extent permitted by Law, the status conferred upon unincorporporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 Principal Office of the Board. The principal office of the Board shall be located either at the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by the Board.

Section 2.4 Powers and Duties of the Board. The Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs fo the Condominium, provided, however, that the Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Board shall deem necessary or proper in connection therewith: (a) the purchaser and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel (including the Managing Agent);

(ii) to acquire, in the name of the Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Board for use in connection with the ownership and operation of the Property as a mixed use condominium including a Unit for a superintendent if the Board believes such acquisition is necessary;

(iii) to maintain completer and accurate books and records with respect to the finances and operation of the Condominium, including, without limitation: (a) detailed accounts, in chronological order, or receipts and expenditures affecting the Property; (b) detailed books of account of the Board; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (d) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(iv) to prepare and adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same;

(v) to determine the amount and establish the means and methods of payment of, and to collect, the Common Charges and Special Assessments from the Unit Owners;

(vi) to borrow money and to incur debt on behalf of the Condominium in connection with any of the powers enumerated in this Article. provided, however, that:

(a) when such debt is to be incurred in connection with (1) major and minor maintenance, repairs, additions, restorations, improvements, alterations and replacements in and to the Property, including the Common Elements and the Units, of the Building; or (2) providing for working capital, bad debts and unpaid common charges or for depreciation, obsolescence or other similar purposes: (A) such debt may not be incurred until no earlier than the fifth anniversary of the First Closing; and (B) the affirmative consent of a majority of the members of the Board shall be required for the borrowing of any sum; and (C) the affirmative consent of a Majority of all Unit Owners (in case of maintenance, repairs, alterations, additions, improvements, restorations and replacements of the Common Elements only) shall be required for the borrowing of any sum in excess of $50,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal year); and (D) in all other cases, the affirmative vote of a Majority of all Unit Owners shall be required; and

(b) with respect to any debt incurred by the Board on behalf of all the Unit Owners: (1) no lien to secure repayment of any sum borrowed under this subparagraph (vi) may be created on any Unit or its Appurtenant Interests without the consent fo the Unit Owner of such Unit; (2) the documentation executed in connection with any borrowing hereunder shall provide that, if any sum borrowed by the Board pursuant to this subparagraph (vi) shall not be repaid by the Board in accordance with the terms of the loan agreement, any Unit Owner who pays the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interests of all Unit Owners shall be entitled and authorized by the Board to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit; (3) the Board may assign its rights in and to receive future income and common charges; (4) the Board may create a security interest in, assign, pledge, mortgage or

otherwise encumber funds or other real or personal property that it holds; (5) The Board may agree that to the extent of the amount of any indebtedness incurred hereunder, all common charges received and to be received by such Board, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and shall be used for the purpose of paying such debt before expending any part of the same for any other purpose, except that to the extent that such indebtedness relates to any labor performed on or materials furnished to the Common Elements, performed or furnished at the express request of the Managing Agent or the Board, all common charges received and to be received by the Board, and the right to receive such funds, shall constitute trust funds for the purpose of paying the cost of such labor or materials performed or furnished and the same shall be expended first for such purpose before expending any part of the same for any other purpose; and (6) the Board may agree that, if required by the lender and at the lender's direction, it will increase the amount of the Common Charges to the extent necessary to pay any amount when due pursuant to the loan agreement;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses, and (b) the making or restorations, additions, alterations and improvements, repairs and maintenance to the Common Elements; provided, however, that the Common Charges and Special Assessments collected from the Commercial Unit Owners, as well as any income earned thereon and other funds (if any) received by the Board in connection with the operation of the Common Elements, shall be used only for the administration, operation, restoration, addition, alteration, improvement, repair and maintenance of the Common Elements;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof;

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof or in connection with any other litigation, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners; (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xii) to obtain and keep in force fidelity bonds, in amounts deemed appropriate by the Board, but in no event than $100,000, for: (a) all members of the Board; (b) all officers and employees of the Condominium; and (c) the Managing Agent, and the premiums on all such

fidelity bonds shall constitute a part of the Common Expenses;

(xiii) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase Units at foreclosure or other judicial sales or for the use of a superintendent or otherwise, in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners and, in connection therewith, to borrow money on behalf of all Unit Owners; provided that, except for Units purchased in connection with a foreclosure of a lien for unpaid Common Charges pursuant to Section 6.4 hereof or the purchase of a superintendent's unit and any note and mortgage given by the Board to Sponsor or other lender in payment of the purchase price thereof, any other purchase and/or borrowing is first approved by a Majority of Unit Owners, and provided further that the borrowing for this purpose shall require the affirmative consent of at lease two-thirds of the members of the Board (in the case of a sum in excess of $10,000) or at lease a Majority, both in number and in aggregate Common Interests, of all Unit Owners (in the case of a sum in excess of $50,000);

(xv) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Board or its designee, corporate or otherwise, and on behalf of all Unit Owners and, in connection therewith, to borrow money on behalf of all Unit Owners; provided, however that as to each such Unit so purchased, leased, or otherwise acquired (a) the affirmative consent of at lease a majority of the members of the Board shall be required for the borrowing of any sum in excess of $10,000 in connection with such purchase, lease or acquisition and (b) the affirmative consent of at least a majority, both in number and in aggregate Common Interests, of all Unit Owners shall be required for the borrowing of any sum in excess of $50, 000 in connection with such purchase, lease or acquisition;

(xvi) to sell, lease, mortgage and otherwise deal with units acquired by, and to sublease Units leased by, the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Board or its designees shall in no event be entitled to vote the votes appurtenant to any such Unit;

(xvii) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same, provided, however, that in no event shall the amount of such fines exceed $100.00 per day each such violation continues;

(xiii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and by-laws of any such resulting

corporation shall conform as closely as practical to the terms of the Declaration and these By-laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;

(xx) to organize corporations to act as the designees of the Board in acquiring title to, or leasing of, Units and in acquitting rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a mixed use condominium;

(xxi) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building; (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Board deems necessary or appropriate; and (c) any modification, amendment or cancellation of the Restrictive Declaration; and

(xxii) to employ and dismiss such personnel as the Condominium Board determines, from time to time may be necessary to assist the Board in the performance of its functions, including a managing agent.

The Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5 Intentionally omitted.

Section 2.6 Exercise and Delegation of Powers and Duties. (A) Any act within the power of the Board to perform, and deemed necessary or desirable to be performed by the Board, shall be performed by the Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Board.

(B) The Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Board, subject to both the exceptions and limitations contained in paragraph (D) of this Section 2.6 and elsewhere in these By-Laws and such additional exceptions and limitations as the Board may from time to time deem appropriate, during the intervals between the meetings of the Board. In addition, the Board may from time to time appoint, by duly adopted resolutions, such other committees as the Board may deem appropriate to perform such duties and services as the Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6 and elsewhere in these By-Laws. The Executive Committee and each other committee shall consist of three or more members fo the Board, at least one of whom shall be a member designed by Sponsor for so long as Sponsor shall have the right to designate or elect one or more members of

the Board.

(C) The Board may employ a managing agent to serve at a compensation to be established by the Board and to perform such duties and services as the Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6 and elsewhere in these By-Laws, the Board may delegate to a managing agent any of the powers granted to the Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee, any other committee appointed by the Board and the Managing Agent shall neither have nor be entitled to exercise, and the Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (vii), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx), (xxi), (xxii), (xxv) and (xxvi) of paragraph (A) of Section 2.4 hereof or duties affecting directly or indirectly the Commercial Units unless the Commercial Unite Owners consent thereto. In addition, neither the Managing Agent not any of the committees described in paragraph (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers that may be delegated to either of them by the Board to the extent such delegation is prohibited by Law.

Section 2.7 Number, Election and Qualification of Members. (A) Until the first annual meeting of the Unit Owners held pursuant to the terms of Section 4.1 hereof, the Board shall consist of three (3) individuals to be designated from time to time by Sponsor. From and after the first annual meeting of the Unit Owners, the Board shall consist of seven (7) individuals, of whom five (5) shall be elected pursuant to the terms of Section 4.9 hereof at the annual meeting of the Unit Owners, and one (1) individual shall be designated by each of the Owners of Commercial Unit A and Commercial Unit B. If the Owners of Commercial Unit A or Commercial Unit B fail to designate a Board member at or prior to an annual meeting at which the election of the Board is on the agenda, the sixth and/or seventh Board members, as the case may be, shall be elected by the Unit Owners at such annual meeting.

(B) Except for members of the Board designated or elected by Sponsor, its designee or by a Commercial Unit Owner pursuant to the terms of this Section 2.7 or of Sections 2.10 or 4.9 hereof (who may serve without qualification), all other members of the Board shall be either: (i) Unit Owners; (ii) individual Permitted Mortgagees; (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing (herein defined as "interested party"). No Unit Owner or "interested party" may be elected to serve on the Board if the Board has perfected a lien against such Unit Owner's or "interested party's" Unit and the amount necessary to release such lien has not been paid at the time of such election.

(C) Members elected or designated by Sponsor or a Commercial Unit Owner or their designees need not be Unit Owners and need not reside in the Building. Other than members

elected or designated by Sponsor, a Commercial Unit Owner or their designees, no member shall continue to serve on the Board after he ceases to be a Unit Owner or an "interested party," as specified in paragraph (B) of this Section 2.7.

Section 2.8 Term of Office Members. The term of office of each of the seven (7) individuals elected (or designated as the case may be) and qualified at the first annual meeting of the Unit Owners shall be one (1) year. 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 may serve.

Section 2.9 Removal and Resignation of Members. (A) Any member of the Board who was elected thereto either by the Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Board, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by a vote of a Majority of Unit Owners. Any member of the Board who was designated as such or elected by Sponsor (or its designee) or by a Commercial Unit Owner pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed (i) with cause by a Majority of Unit Owners or (ii) without cause, only by Sponsor (or the said designee) or the Commercial Unit Owner who designated the Board member, respectively. Any member of the Board whose proposed removal is to be acted upon at a meeting of the Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard.

(B) Any member of the Board may resign his membership at any time by giving written notice thereof to the Board and, with respect to members of the Board designated as such or elected by Sponsor (or its designee) or a Commercial Unit Owner, by giving written notice thereof to Sponsor (or such designee) or the Commercial Unit Owners, respectively. In addition, any member of the Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned his membership effective as of the date upon which such qualification shall cease.

(C) The Board member designated by either of the Owner of Commercial Unit A or Commercial Unit B may not be removed from office without cause, except by the Commercial Unit Owner who designated the Board member.

Section 2.10 Vacancies. (A) Any vacancy on the Board that is caused by the removal, resignation, or death of a member who was elected thereto by the Unit Owners (other than Sponsor, its designee or the Commercial Unit Owners) shall be filled by an individual who is qualified to be a member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the members of the Board then in office. A special meeting of the Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy at a meeting where a quorum is present.

(B) Any vacancy on the Board that is caused by the removal, resignation, or death of a member who was designated as such or elected by Sponsor, its designee or other Unsold Unit

Owner, or a Commercial Unit Owner, shall be filled by an individual designated by Sponsor or such designee or other Unsold Unit Owner or the Commercial Unit Owner who designated the Board member, respectively.

(C) Each member of the Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a member of the Board for the remainder of the term of the member he replaced and until his successor shall be elected and qualified at the appropriate annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 Organizational Meeting of the Board. The first meeting of the Board following each annual meeting of the Unit Owners shall be held within approximately thirty (30) days of such annual meeting, at such time and place in the Borough of Manhattan as shall be both fixed informally by a majority of the members of the Board and designated in a written notice given to all members thereof by personal delivery, mail, overnight delivery or facsimile transmission not later than five (5) business days prior to such date.

Section 2.12 Regular Meetings of the Board. (A) 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 respective members thereof, provided that at least four (4) such meetings of the Board shall be held during each fiscal year.

(B) Written notice of all regular meetings of the Board shall be given to each member by personal delivery, mail, overnight delivery or facsimile transmission at least five (5) days prior to the day named for such meeting.

Section 2.13 Special Meetings of the Board. (A) The President may call a special meeting of the Board whenever he deems the same to be necessary or desirable. However, the President shall call such a meeting: (i) upon the written request of three (3) or more members of the Board; or (ii) upon the request of a non-occupying Unit Owner who has received notice that rents payable with respect to his Unit shall hereafter be paid directly to the Condominium, as provided in Section 6.4(D) of these By-Laws.

(B) Written notice of all special meetings shall be given to each member of the Board by personal delivery, mail, overnight delivery or facsimile transmission at least five (5) days prior to the day named for such meeting, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting.

Section 2.14 Waiver of Notice of Meetings. Any member of the Board may, at any time waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver by him of notice of the time and place thereof. If all of the members of the Board are present at any meeting thereof, no notice of such meeting shall be required and any business

authorized pursuant to these By-Laws may be transacted at such meeting.

Section 2.15 Quorum of the Board. For purpose of all meeting of the board, a majority of such Board shall constitute a quorum for the transaction of business by that Board. In connection therewith, one or more members of the Board may participate in any meeting by means of a conference telephone call or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at a meeting for all purposes. If, at any meeting of the Board there shall be less than a quorum present, a majority of the Board members in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16 Conduct of Meetings. (A) The President, or in his absence, the Vice-President, shall preside at all meetings of the Board and the Secretary shall faithfully record the minutes thereof. The minutes shall include the full text of all resolutions duly adopted by the Board and a record of all transactions and proceeding occurring thereat.

(B) The then current edition of Robert's Rules of Order, or any other rules or procedure from time to time acceptable to a majority of the members of the Board shall govern the conduct of the meetings of each such Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act.

Section 2.17 Decisions by the Board. (A) Except as otherwise expressly provided in the Declaration or these By-Laws, the vote of majority of the members of the Board present at a meeting thereof at which a quorum is present shall constitute the decision of the Board. Alternatively, any decision that is required or permitted to be made by the Board may be made without a meeting thereof if all of the members of the Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Board.

(B) Notwithstanding the above, the following decision cannot be made by the Board without the consent of the Board members designated by the Commercial Unit Owners;

(i) A voluntary discontinuation of the Condominium;

(ii) Amendment of the Declaration or By-Laws which would affect the rights of the Commercial Unit Owners (or Sponsor or Sponsor designee) to lease the Commercial Units or increase or decrease the percentage of Common Elements allocated to the Commercial Units;

(iii) Reallocation or alteration of the Common Elements, which would affect or interfere with rights of access to the Commercial Units;

(iv) Amendment of the Declaration or By-Laws which would change the uses permitted in the Commercial Units; and

(v) Amendments of the Declaration or By-Laws which would deprive the Commercial Unit Owners of the right to designate a member of the Board.

Section 2.18 Compensation of Members. No member of the Board or any Committee shall receive any compensation from the Condominium for acting in his or her capacity as a member of the Board.

Section 2.19 Common Interested Members of the Board. Each member of the Board shall perform his duties, and shall exercise his powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Law, no contract or other transaction between the Board and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the members of the Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such member of the Board was present at the meeting or meetings of said Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that either:

(x) the fact thereof is disclosed to, or known by, such Board or a majority of the members thereof or 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;

(y) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve, or ratify such contract or transaction; or

(z) the contract or transaction is commercially reasonable to the Board at the time that the same is authorized, approved, ratified, executed, or otherwise consummated.

Any such member of the Board may be counted in determining the presence of a quorum of any meeting of the Board that authorizes, approves, or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 Liability of the Board. (A) The members of the Board shall have no liability to the Unit Owners for errors of judgment, negligence, otherwise, except that each member of the Board shall be liable thereto for his own bad faith or willful misconduct. In connection therewith, members of the Board designated as such by Sponsor shall not be deemed either to have acted in bad faith or to have committed willful misconduct by reason of any self-dealing in connection with any contract made, or other transaction entered into, between the Board and Sponsor or its agents,

provided that any compensation paid, or to be paid, to Sponsor or its agents in connection with any such contract or transaction is disclosed in the Plan in an amendment thereto or is at competitive rates for goods sold or services rendered in the Borough of Manhattan.

(B) Every contract made, and other document executed, by or on behalf of the Board or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of Sections 3.10 and 4.12 hereof, respectively) that the same is made or executed by or on behalf of such Board or the Managing Agent solely as agent for the Unit Owners and the members of the Board or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) Neither the Board nor any member thereof, nor the Managing Agent shall be liable for either:

(i) any failure or interruption of any utility or otherwise to be obtained by, or on behalf of, the Board or to be aid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit, or the Common Elements which: (a) was caused by the elements, by any Unit Owner, or by any other Person; (b) resulted from electricity, water, snow, or ice that may leak or flow from a Unit, or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(D) The Unit Owners shall jointly and severally indemnify and hold each member of the Board harmless from and against any claim or liability to others arising from his acts or omissions as, or by reason of the fact that such individual is or was, a member of the Board to the extent permitted under the Business Corporation Law of the State of New York, (hereinafter referred to as, the "BCL"), except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member.

ARTICLE 3

OFFICERS

Section 3.1 General. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, mortgages, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Board.

Section 3.2 President. The President shall be the chief executive officer of the

Condominium and shall preside at all meetings of the Unit Owners and of the Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the BCL, including, but not limited to, the power to appoint the members of all committees created by the Board from amongst the Unit Owners from time to time as he may decide, in his discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Board shall appoint some other member of the Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon him from time to time by the Board or by the President.

Section 3.4 Secretary. The Secretary shall keep the minutes of all meeting of the Unit Owners, and of the Board. The Secretary shall have charge of such books and papers as the Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under BCL.

Section 3.5 Treasurer. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 Election, Term of Office and Qualifications of Officers. Each of the officers of the Board shall be elected annually by a majority vote of the Board taken at the organizational meeting of each new Board or at the first meeting of the Board first succeeding the annual meeting of the Unit Owners, and shall serve at the pleasure of the Board. The President and the Vice President shall be elected from amongst the members of the Board. The other officers of the Condominium, however, need not be Unit Owners or members of the Board and need not have any interest in the Condominium.

Section 3.7 Removal and Resignation of Officers. Any officer of the Condominium may be removed from office, with or without cause, by an affirmative vote of a Majority of the Unit Owners. In addition, any officer may resign at any time by giving written notice to the Board. Finally, if the President or the Vice President of the Condominium shall cease to be a member of the Board during his term of office, such officer shall be deemed to have resigned his office effective upon the date upon which his membership cease.

Section 3.8 Vacancies. Any vacancy in an office shall be filled by a majority vote of the Board at any regular meeting of the Board or at a special meeting thereof called for such purpose.

Section 3.9 Compensation of Officers. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 Liability of the Officers of the Condominium. (A) The officers of the Condominium shall have no liability to the Unit Owners for errors of judgement, negligence, or otherwise, except that each officer of the Condominium shall be liable thereto for his own bad faith or willful misconduct. In addition, every contract made, and other document executed, by one or more officers or other Persons on behalf of the Condominium shall expressly state (if obtainable and in addition to the limitation of liability of the members of the Board and the Unit Owners pursuant to the terms of Section 2.20 and 4.12 hereof, respectively) that the same is made or executed by such officers or Persons on behalf of the Condominium solely as agent for the Unit Owners and that such officers or Persons shall have no liability thereon, except to the extent of their liability, if any, as Unit Owner pursuant to the terms of Section 4.12 hereof.

(B) None of the officers of the Condominium shall be liable for either:

(i) any failure or interruption of any utility or other service to be obtained by any such officer on behalf of the Condominium or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit, or the Common Elements, which is (a) caused by the elements, by any Unit Owner, or by and other Person; (b) results from electricity, water, snow or ice that may leak or flow from a Unit, or any portion of the Common Elements; or (c) arises out of theft or otherwise.

(C) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to others arising from his acts or omissions as, or by reason of the fact that such individual is or was, an officer of the Condominium, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such officer.

ARTICLE 4

UNIT OWNERS

Section 4.1 Annual Meetings of the Unit Owners. (A) The first annual meeting of the Owners shall be held within the first sixty (60) days after the First Closing, at which meeting the incumbent three (3) member Board shall resign and a successor seven (7) member Board shall be elected and shall consist of one (1) member elected by the owner of Commercial Unit A, one (1) member elected by the owner of Commercial Unit B and five (5) members elected by the Unit Owners as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held within approximately thirty (30) days after the anniversary of the first meeting of Unit Owners in each year. At each such subsequent meeting, the Unit Owners shall

elect successors to the members of the Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

(B) The provisions of the preceding paragraph (A) and any other provisions of these By-Laws to the contrary notwithstanding, so long as the Sponsor (or its designees) owns either Commercial Unit A or Commercial Unit B, the Sponsor (or its designees), may elect its/his member by written designation given to the Managing Agent or the President or Secretary of the Condominium at, or in advance of, the annual meeting of such Unit Owners. In such event, the Owner of either Commercial Unit A or Commercial Unit B need not attend said annual meeting and, if not present, the Common Interests of the Commercial Unit A or Commercial Unit B shall be excluded when computing the aggregate Common Interests of all Unit Owners for quorum or voting purposes.

Section 4.2 Special Meetings of the Unit Owners. The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than twenty-five (25%) percent of the Common Interests of all Unit Owners. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to the stated purposes.

Section 4.3 Place of Meetings. Meetings of the unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough of Manhattan as may be designated by the Board.

Section 4.4 Notice of Meetings. The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting, Such notice may be given to any Unit Owner by personal delivery, mail, overnight delivery or facsimile transmission not later than ten (10) not earlier than forty (40) days prior to the day fixed for the meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than ten (10) days prior to the giving of notice of the applicable meeting.

Section 4.5 Quorum of the Unit Owners. Except as otherwise provided in theses By-Laws, the presence, in person or by proxy, of Unit Owners owning Units to which fifty (50%) percent or more of the aggregate Common Interests appertain shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-right (48) hours from the time fixed for the original meeting.

Section 4.6 Conduct of Meetings. The President shall preside at all meetings of the Unit Owner and the Secretary shall faithfully record the minutes thereof, which minutes shall include

the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a Majority of the Unit Owner present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed for such purpose by the presiding officer of the meeting.

Section 4.7 Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

(i) Roll call and presentation of proxies;

(ii) Proof of notice of meeting;

(iii) Reading of the minutes of the preceding meeting (unless waived);

(iv) Reports of officers of the Condominium;

(v) Reports of members of the Board;

(vi) Reports of committees;

(vii) Election of inspectors of election (when so required);

(viii) Election of members of the Board (when so required);

(ix) Unfinished business; and

(x) New Business;

Section 4.8 Voting. (A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one (1) vote at all meetings of the Unit Owners for each .001 of the percentage of Common Interest attributable to his Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Board or such designee. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for quorum and

voting purposes.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two (2) or more Persons own a Unit, they shall designate one (1) Person amongst them to vote the Common Interest appurtenant to their Unit a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under one ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner of any Unit may designate any Person to act as a proxy on his behalf. The designation of any such proxy shall be made in writing both signed and dated by the designor and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting. Except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of six (6) months after the date thereof.

(E) Except when otherwise required by Law or otherwise provided in the Declaration or in these By-Laws, the affirmative vote of a Majority of the Unit Owners at a meeting at which a quorum is present shall be binding upon all such Unit Owners for all purposes.

Section 4.9 Election of Members of the Board. (A) The Board of Managers shall be elected by the Unit Owners at the annual meeting of Unit Owners. Subject to the terms of Section 2.7 hereof, when voting for members of the Board, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one vote for each .001 of the percentage of Common Interest attributable to this Units per member to be elected. However, nothing contained herein shall be deemed to permit any Unit Owner to cumulate the votes attributable to the ownership of any one Unit in favor of any one or more members to be elected. In addition, the terms of paragraphs (B), (C), (D) and (E) of Section 4.8 hereof shall apply to all elections of members of the Board.

(B) Subject to the terms of Section 4.1 hereof, all election of members of the Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Unit(s) owned by the voting Unit Owner;, (iii) the amount of the Common Interest(s) appurtenant to such

Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall be discounted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of members of the Board shall be determined by plurality vote.

(D) Within thirty (30) days after the earlier of (i) five (5) years after the First Closing, or (ii) conveyance of title to Units representing ninety (90%) percent of the Residential Common Interest (the "Initial Control Period"), the Sponsor will call an annual meeting of the Unit Owners, at which time a new Board of Managers will be elected. During the Initial Control Period, Sponsor its designees, as owner of Unsold Units, shall have the right to designate four (4) members to be elected (regardless of the number of votes Sponsors has the right to cast). Thereafter, Sponsor or its designee shall have the right to designate three (3) members for so long as the Common Interests attribute to any Unsold Units owned by Sponsor or its designee equals, in the aggregate, thirty-five (35%) percent or more of the Residential Common Interests; and Sponsor or its designee shall have the right to designate two (2) members for so long as the Common Interests attributable to any Unsold Units owned by Sponsor or its designee equals in the aggregate fifteen (15%) percent or more of the Residential Common Interests; and Sponsor to its designee shall have the right to designate one (1) member, for so long as Sponsor or its designee is the Owner of Unit with any Residential Common Interest attributable thereto. The owners of Commercial Unit A and Commercial Unit B shall each be entitled to designate one (1) member of the Board of Managers unless one of both of the Commercial Units are owned by the Sponsor and the Sponsor is then entitled to designate a majority of the members of the Board of Mangers, in which case Sponsor or its designee will not exercise its designation rights to designate a majority of the Board Members after the Initial Control Period has expired. Notwithstanding the foregoing, the owner of the Unsold Units and the owners of the Commercial Units shall be entitled to vote all of the Common Interests attributable thereto in his sole discretion.

Section 4.10 Action Without a Meeting. Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if Unit Owners sufficient in number (both in absolute number and in aggregate Common Interests) to approve such an action at a duly constituted meeting of such Unit Owners pursuant to the Declaration or to these By-Laws, consent in writing to the adoption of a resolution approving such action. All written consents given by such Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with true copy of the resolutions to which they relate.

Section 4.11 Title to Units. Title to any Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate, but not as owners in severalty.

Section 4.12 Contractual Liability of Unit Owners. Every contract made by the Board, by

any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Board and the officers of the Condominium pursuant to the terms of Section 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate shares of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and (ii) such Unit Owner's interest in his Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 Maintenance and Repairs. (A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs, and replacements, whether structural or non-structural, ordinary or extraordinary:

(i) in or to any Unit, other than the Commercial Units, any Limited Residential Common Element related thereto and all portions thereof (including, but not limited to, the walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors (entrance and terrace, if any) and their frames and saddles, exposed plumbing, gas and heating fixtures, any Common Elements and any Residential Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but excluding any other Common Elements contained therein) shall be performed by the owner of the Unit at his cost and expense;

(ii) in or to the Common Elements (other than any Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Board as a Common Expense;

(iii) in or to the Residential Common Elements shall be performed by the Board as an expense to the owners of the Residential Units; and

(iv) in or to the Commercial Units and all portion thereof, any Limited Commercial Common Elements and any Common Elements incorporated therein pursuant to the terms of paragraph (B) of Section 5.8 hereof, but excluding any other Common Elements contained therein shall be performed by the owner of such Commercial Unit, at that Commercial Unit Owners' sole cost and expense.

Promptly upon obtaining knowledge thereof, each Unit Owner shall use reasonable efforts to report promptly to the Board or to the Managing Agent any defect or need for repairs for which

the Board is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, however, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the owner of such Unit at such Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, is necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Board, the entire cost and expense thereof shall be borne (a) by all Unit Owners other than the Commercial Unit Owners as a Common Expense, if involving only a Unit other than the Commercial Units, or (b) by all Unit Owners (including the Commercial Unit Owners) as a Common Expense, if involving the Common Elements of both Commercial Units and the Residential Units or (c) by a Commercial Unit Owner alone if involving only a Commercial Unit, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace his Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice, and accumulation of water and all drains kept clear and unclogged with respect to any roof terrace, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Board shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Board with respect to such parts of the Building required to be maintained by such Board, and (ii) each Unit Owner, with respect to such parts of the Building required to be maintained by such Unit Owner.

Section 5.2 Alterations, Additions, Improvements or Repairs in and to Units and the Limited Residential Common Elements. (A) Subject to the terms of paragraph (B) of this Section 5.2, no Residential Unit Owner shall make any structural alteration, addition, improvement or repair in or to his Unit or a Limited Residential Common Element without the prior written approval of the Board in each instance, which approval shall not be unreasonably withheld. No Unit Owner shall paint, decorate or enclose any portion thereof which is visible from the ground or street surrounding the Building without the prior written approval of the Board. In the event, however, that the Board shall fail to answer any written, reasonable detailed request for such approval within sixty (60) days after such request is received, such failure to respond shall

constitute the Board's consent thereto. Prior to, and as a condition of, the granting of any such approval, the Board may, at its sole option, require the Residential Unit Owner to procure and agree to maintain during the course of such work such insurance as the Board may reasonably prescribe and 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, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor (or its designee) (as to Unsold Units) and the Commercial Unit Owners (as to the Commercial Units) shall have the right pursuant (and subject) to the terms of Article 12 of the Declaration, without the approach of the Board to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Units and the Commercial Units respectively, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of the Unsold Units or the Commercial Units.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law. In connection therewith, the Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit, provided that, with respect to all such work of a structural nature (other than of the nature described in paragraph (B) hereof), the same was approved by the Board if such approval is required pursuant to the terms of paragraph (A) hereof.

(D) Neither the Board nor any Unit Owner (other than the Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his or their Units(s) or a Limited Common Element and appurtenant Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialman, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by an Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner(s) including the Sponsor (or its designee) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his or their Unit(s) and shall agree (in a writing executed and delivered to the Board, if the Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Board, the members of the Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

Section 5.3 Alterations, Additions, or Improvements to the Common Elements and the Residential Common Elements. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Board, and the cost and expense thereof shall constitute a Common

Expense to all Unit Owners. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Residential Common Elements shall be made by the Board, and the cost and expense thereof shall constitute a Common Expense to the Residential Unit Owners. Notwithstanding the foregoing, however, whenever the cost and expense of any such alterations, additions or improvements would, in the judgement of the Board, exceed $50,000 in the aggregate in any calendar year, such proposed alterations, additions, or improvements shall not be made unless first approved by a Majority of all Unit Owners (if involving the Common Elements) at a duly constituted meeting of the Unit Owners and by the Mortgage Representatives, if any, or approved by a Majority of all Residential Unit Owners (if involving the Residential Common Elements) at a duly constituted meeting of the Residential Unit Owners and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing $50,000 or less in the aggregate in any calendar year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives, and the cost thereof shall constitute a Common Expense to be paid by all Unit Owners, as with regard to the Common Elements and the cost thereof shall constitute a Common Expense to the Residential Unit Owners as to the Residential Common Elements. Notwithstanding anything herein to the contrary, any alterations, additions or improvements (regardless of the cost thereof) that will necessitate an increase in the Common Charges or require the imposition of a special assessment greater than five (5%) percent of the previous year's Common Charges shall not be undertaken unless approved by a Majority of all Unit Owners (in number and in Common Interest) in accordance with Section 2.5 (A) of these By-Laws/

Section 5.4 Insurance. (A) If the same shall be obtainable, the Board shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all Unit and the bathroom and kitchen fixtures installed therein on the date of recoding the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interests of the Condominium, the Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear. Each of the said policies shall contain, if available:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Board and that all proceeds thereof shall be paid either the Board or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board

and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least ten (10) days' prior written notice to all of the insureds, including all Permitted Mortgagees.

Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be sent to those Unit Owners and Permitted Mortgagees who request same. Renewals of such policies shall be obtained at least ten (10) days prior to the expiration of the then current term.

(B) The Board shall also obtain and maintain, to the extent practicable:

(i) commercial general liability insurance, including, in the discretion of the Board, umbrella liability, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listings as co-insureds (a) the Board and each member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his own Unit);

(ii) workmen's compensation and New York State disability benefits insurance;

(iii) boiler and machinery insurance;

(iv) water damage legal liability insurance;

(v) elevator liability and collision insurance; and

(vi) such other insurance as the Board shall from time to time determine.

Each of the aforementioned policies of insurance to be maintained by the Board shall contain such limits as the Board shall from time to time determine, provided, however, that:

(C) All polices of insurance to be maintained by the Board shall contain such limits as the Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Board pursuant to paragraph (A) hereof, the coverage shall be not less than an amount which is sufficient for the insurance company providing the insurance company to waive any co-insurance requirement or is based on an "agreed amount replacement cost" (or comparable term) and, until the first regular meeting of the first Condominium Board elected by the Unit Owners, such coverage shall be at least in the amount of $10,000,000; and

(ii) with respect to insurance polices maintained by the Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than $2,000,000 in the aggregate until the first regular meeting of the first seven (7) member Condominium Board elected by the Unit Owners.

Any insurance policies maintained by the Board may also provide for such deductible amounts as the Board shall determine. The Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Board pursuant to the terms of these By-Laws, shall be borne by the Unit Owners as a common Expense.

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

Section 5.5 Casualty or Condemnation. (A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Board, if the same shall be $100,000 or less in the aggregate, or to the Insurance Trustee, if one is appointed, if the same shall exceed $100,000 in the aggregate. In either instance, all such monies actually received (hereinafter referred to as the "Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he may have to pursue a separate claim against the condemning authority by reason thereof, provided that the award to other Unit Owners or Condominium Board, or any other Unit Owner is not reduced thereby.

(B) Subject to the terms of paragraph (D) hereof, the Board (as to all parts of the Property other than the Commercial Units) and the Commercial Unit Owners (as to the Commercial Units and Commercial Limited Common Elements, if any) shall arrange for the prompt repair or restoration (hereinafter referred to as the "Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures initially installed therein on or about the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations,

belongings, or other personal property supplied or installed by a Unit Owner or the tenant of a Unit Owner) affected by such Casualty Loss or pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements or any combination of the foregoing, the Work shall be performed, to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. In addition, each Unit Owner whose Unit, or any portion thereof shall be the subject of all or part of any Work shall have the right, subject to the terms of Section 5.2 hereof, to supervise any redecorating of his Unit.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Board or the Insurance Trustee or the Commercial Unit Owners as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient for the Board to discharge the cost and expense of performing the Work, the Board shall levy a Special Assessment as a Common Expense against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interest (if involving the Common Elements or both the Units or the Commercial Units) or shall levy a Special Assessment against the Commercial Unit Owners alone (if involving only the Commercial Units and the Commercial Unit Owners shall fail to repair and restore same), and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owner in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of excess, such amount as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Montages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remains unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

(D) If either seventy-five (75%) percent or more of the Building is destroyed or substantially damaged by fire or other casualty or seventy-five (75%) percent or more of the Common Elements are taken in a Taking, the Work shall not be performed unless seventy-five (75%) percent or more of all Unit Owners including Sponsor or its designee (if Sponsor or such designee shall then own any Units), both in number and 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 Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of

the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

(E) In the event that the damage resulting from Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered useable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or licensees, invitees and/or workmen or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Board with the respect to such Unit.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit prior to such taking bears to the total floor area of such Unit after the taking. The Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration or said consent to such amendment, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of taking an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board and the owners of, together with the holders of record of all liens upon, all of the other remaining Units, or a consent to such amendment in recordable form.

(G) As used in this Section 5.5, the terms:

(i) "prompt repair or restoration" shall mean that the work is to be commenced not more than either: (a) sixty (60) days after the date upon which the Insurance Trustee, if any, notifies the Board and the Unit Owners that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) ninety (90) days after the date upon which the Insurance Trustee, if any, notifies the Board and the Unit Owners that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, of (c) in the event that the

Trust Funds are payable to the Board pursuant to the terms of paragraph (A) of this Section 5.5, sixty (60) days after the date upon which the Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "promptly resolve" shall mean that a resolution shall be duly made not more than sixty (60) days after the date upon which the Board or the Insurance Trustee, as the case may be, notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owners(s) and the Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 Use of The Property. (A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed in any Residential Unit that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by it residents of occupants. The Unsold Units and the Commercial Unit may be used for any purpose permitted by Law provided that no illegal, noxious, immoral, improper, offensive, or unlawful use shall be made of any portion thereof. Neither the Unsold Units nor the Commercial Units nor any portion thereof may be used as an adult entertainment establishment as defined in the New York City Zoning Resolution or for use as a discotheque or dance club. All valid Laws, zoning, ordinances, restrictive declarations and regulations of all governmental bodies with jurisdiction, relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit owners or the Board, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any unit or in any of Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Board. The foregoing shall not apply to the Commercial Units, provided, however, the owner of such Commercial Units pay for any such increase in insurance rates. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7 Use of the Units. (A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and

shall be in accordance with, the terms contained in the balance of this Section 5.7. The Residential Units may be used only for joint-living work quarters for artists, except that qualifying Residential Unit Owner may use a Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction.

(B) Subject to the terms of paragraph (D) and (E) of this Section 5.7, the Board may, in its sole discretion, consent to the use of a Unit for any purpose, provided that the nature and manner of such use complies with Law and does not violate the then existing certificate of occupancy covering such Unit or the Rules and Regulations of the Condominium. Any such consent shall be in writing and shall be personal to such Unit Owner. Any lessee of, or successor in title to, such Residential Unit owner shall be required to obtain the prior written consent of the Board before using such Unit for any purpose other than that set forth in the first sentence of this paragraph (B).

(C) A Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, sovereign government, consulate or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by a member of such limited liability company, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or individual designee of such sovereign government, consulate or other entity, respectively, or by Family Members or guests of any of the foregoing or a tenant named in a lease of the Unit entered into in accordance with Article 7 of the By-Laws or, in the case of an individual Unit Owner only, one additional occupant who is not a Family Member and his dependent children (however, nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members or guests). Additionally, in no event shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this paragraph (C)) may be accommodated therein.

The foregoing restrictions in subparagraphs (B) and (C) (except as to lawful uses) shall not apply to the Commercial Units or any Unsold Unit owned by Sponsor or its designee.

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Board or the Unit Owners, use any one or more Unsold Units as model units and offices for the sale, promotion, rental, management and operation of the Unsold Units or for any other purpose, subject only to compliance with Law.

(E) The Commercial Units may be used for any purpose permitted by Law and any existing certificate of occupancy, provided such use is not an adult entertainment use as defined in the New York City Zoning Resolution or as a discotheque or dance club, or is not illegal, noxious or immoral.

Section 5.8 Use of the Common Elements and Residential Limited Common Elements. (A) Subject to the terms of paragraph (B) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, cooling, venting, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) and Limited 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 capable. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Areas (except for those areas designated as storage areas) without the prior written consent of the Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Accordingly, all Residential Unit Owners shall require their tradesmen to utilize exclusively the elevator and entrance in the manner designated by the Board for transporting packages, merchandise, or other objects.

(B) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor or its designee for so long as there are any Unsold Units. Sponsor or its designee shall have the right, without charge or limitation, to: (i) have its employees, contractors, subcontractors and sales agents present on the Property; and (ii) do all things necessary or appropriate, including the use of the Common Elements and Limited Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. In no event, however, shall Sponsor or such designee be entitled to use any Common Elements or Limited Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

Section 5.9 Rights of Access. (A) Subject to the rights of existing tenants and other occupants of Unsold Units, each Unit Owner shall grant to the Board, to the Managing Agent or manager (if any), to the superintendent and/or to any other Person authorized by any of the foregoing a right of access to his Unit for the purpose of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or Limited Common Elements, or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in his Unit and threatening another Unit or all or a portion of the Common Elements or Limited Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements or Limited Common Elements within his Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common

Elements or Limited Common Elements to his Unit, or to any other Unit; or

(v) correcting any condition that violated the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of any emergency (that is, a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than one day's advance notice and only in such a manner as will not unreasonably interfere with the business of any tenants or occupants of the Units or the use or operation of the Units for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

Section 5.10 Modification of the Rules and Regulations. The Board shall have the right to amend, modify, add to, or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of a Majority of Unit Owners. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulation shall be furnished to all Unit Owners to whom same relate not less than thirty (30) days prior to the effective date thereof.

Section 5.11 Water Charges and Sewer Rents. (A) Water for the Building shall be supplied by the City of New York and consumption thereof shall be measured by one meter for the Building. Meter charges to the Commercial Units shall be paid by the Commercial Unit Owners, and meter charges to the Residential Units shall be paid by the Residential Unit Owners in proportion to their respective interest in the Common Elements allocated to the Units.

(B) Each Unit Owner shall be deemed to have appointed the Board to act as his agent in connection with tax certiorari proceedings, and the Commercial Unit Owners may at their option so appoint the Board.

Section 5.12 Electricity and Gas. (A) Electric service in all Units is individually metered. Accordingly, all charges for electricity consumed or used in each Unit shall be paid by each Unit Owner directly to Con Edison as and when billed. Gas service provided to each Unit is measured by a single meter located in the Building's cellar. All gas charges shall be paid by the Board as a Common Charge billed to the Residential Unit Owners as a Common Charge in proportion to their respective Common Interests.

Section 5.13 Utilities Serving the Common Elements. The cost and expense of water, electricity and gas serving or benefitting any Common Element shall be (i) considered part of the expense of maintaining such Common Element, (ii) determined by the Board and (iii) charged as a Common Expense to all Unit Owners only in the proportion that each Unit's Common Interest bears to the aggregate Common Interest of all Units.

Section 5.14 Vault Charges. All license fees, and all periodic taxes and charges, for vaults or other protrusions beyond the Building line shall be paid by the Board as a Common Expense.

Section 5.15 Records and Audits. (A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipt of and expenditures by the Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges, real estate taxes, if applicable, and, as the case may be, Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the date thereof and the balance, if any, remaining unpaid.

(B) Within five (5) months after the end of each fiscal year of the Condominium, the Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Board as a Common Expense to all Unit Owners.

ARTICLE 6

COMMON CHARGES; RESERVE FUND AND WORKING CAPITAL

Section 6.1 Determination of Common Expenses and Fixing of Common Charges. (A) From time to time, but not less frequently than once a year, the Board shall: (i) prepare and adopt a budget for the Condominium, subject, in all respects, to the limitations set forth in these By-Laws; (ii) determine the aggregate amount of Common Charges necessary to be charged to all Unit Owners in order to meet the Common Expenses relative to the Common Elements and the Limited Common Elements, including the annual amount to be paid by the Commercial Units Owner. Common Expenses may also include such amounts as the Board may deem necessary and proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Common Elements; (iii) allocate and assess such Common Charges to be paid pro rata by the Unit Owners in accordance with their respective Common Interest and (iv) determine and assess the allocable shares of expenses for water, heating, gas and electricity payable by the Commercial Unit Owners (except as otherwise provided in the Declaration or in these By-Laws).

(B) (1) The annual amount to be paid by the Commercial Unit Owners in connection with shared expenses shall include all of the categories of expense set forth in "Schedule B - Projected Budget for First Year of Condominium Operation" in the Plan, or any different expenses which at some time in the future are established in lieu of the foregoing expenses. The allocable share of the foregoing categories of expenses paid by the Owner of the Commercial Unit shall be based upon the Common Interests of the Commercial Units.

(2) If at any time after the first year of Condominium operation, either the

Commercial Unit Owners or the Board shall dispute the foregoing basis for allocating the Common Charges payable by the Commercial Unit Owners, the parties shall select a licensed engineer, real estate broker or management firm with expertise in surveys or allocations pertinent to the Common Expense in controversy to make such determination. If the Commercial Unit Owners and the Board are unable to agree on an expert or disagree with the expert's determination, the matter shall be submitted to arbitration in accordance with the provisions of Article 10.

(3) If the Commercial Units are subdivided and such subdivision results in an increase in shared expenses attributable to the Commercial Units or the use is changed so as to increase the extent to which the Commercial Units use any Common Elements or services which are paid for as Common Expenses, then, the affected Commercial Unit Owner shall pay any increase in share expenses resulting from such subdivision or change in use. Additionally, if insurance premiums are increased as a result of the use or a change in the use of the Commercial Units or any portion thereof, then the Commercial Unit Owner who is responsible for such increase shall pay any increase in such premium attributable to such use or change in use of the Commercial Unit.

(4) If in the future, any categories of Common Expense other than those provided for at the date of recording of the Declaration are assessed by the Board as Common Charges, then the Commercial Units Owners will pay their allocable share of the expense fairly attributable to the Commercial Units (based on its Common Interest). However, if the Commercial Unit Owners use or incur a disproportionate portion of the expense relative to their Common Interest (whether too low or too high), then the Commercial Unit Owners shall be required to pay their fair share of such expense as determined by a licensed engineer, real estate manager or management firm selected by the Commercial Unit Owners and the Board or in the event the Commercial Unit Owners and the Board cannot agree upon a real estate manager or management firm, as determined by arbitration in accordance with the provisions of Article 10.

(C) 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 Owner 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. In the event of a change in the amount payable as Common Charges for each individual Unit Owner, the Board shall advise all such Unit Owner in writing promptly after same are determined of the amount of Common Charges payable by each of them. The Board shall, not later than ten (10) days next preceding the date upon which the first installment of newly determined Common Charges is due, furnish copies of the budget (in a reasonable itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees. Notwithstanding the above, 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 nor shall the Board reduce the Common Charges payable by the Unit Owners during any year occurring within the Initial Control Period solely as a result of a reduction in the number of employees of the Condominium below the number employed for the Property on the date of

recording the Declaration, or eliminating or reducing any service or reducing the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of those members of the Board elected by Unit Owners other than Sponsor or its designee.

(D) 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 such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(E) (1) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Board shall have the right, subject, in all respects, to the limitations contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments shall be levied against all Unit Owners (if involving the Common Elements only), the Unit Owners other than the Commercial Unit Owners only (if involving the Commercial Units only), in proportion to their respective Common Interests. Until such time as each Unit has a separate tax lot for purposes of real estate taxes, the Board shall collect such taxes (as the case may be) in the form of a Special Assessment or additional Common Charges for forwarding same to the appropriate taxing authority on behalf of Unit Owners (subject to Section 5.11).

(2) Special Assessments may be payable either in one lump sum or in installments, as the Board shall determine, provided, however that the Board shall give each Unit Owner not less than fifteen (15) days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof).

(F) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners and shall be collected on behalf of the Unit Owners by the Board and applied against the Common Expenses respectively, for the year in which the collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners (other than any Common Charges or Special Assessments segregated from other funds of the Condominium and earmarked for reserves to make capital repairs, replacements, improvements and/or additions to the Common Elements as provided in Section 6.5 hereof), for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Board against the Common Expenses for the next succeeding year(s) of operation, and no Unit Owner shall be entitled to a distribution of any portion of such excess unless the Board shall determine to distribute all or part of such excess to all Unit

Owners pro rata, in proportion to their respective Common Interests. Notwithstanding any provisions contained in these By-Laws or in the Declaration to the contrary, however, in no event shall any rent, profit, or revenue, derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floors slabs, ceilings, or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

Section 6.2 Payment of Common Charges. (A) All Unit Owners (including Sponsor or its designee with respect to Unsold Units, for so long as the same are owned thereby), shall be obligated to pay Common Charges and Special Assessments assessed by the Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as he Board shall determine. Unless otherwise determined by the Board, Common Charges shall be payable in equal instalments on the first day of every month in advance. To the extent permitted by Law, the Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate to any liens for unpaid real estate taxes assessed against such Unit (to the extent required by law) and to any lien of a prior recorded Permitted First Mortgage pursuant to the following subparagraph (B).

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his Unit subsequent to a sale, transfer, or other conveyance by him of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his acquisition thereof, except that, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid Common Charges and Special Assessments that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(C) Subject to the terms and conditions contained in these By-Laws, any Unit Owner (except Sponsor or Sponsor's designee) may convey his unit, together with its Appurtenant Interests, to the Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments (provided

no monies are then owing under such statutory lien); and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his Unit (except with respect to a conveyance of the same to the Board, without compensation, pursuant to the terms of paragraph (C) hereof). Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of such repairs or improvements to the Common Elements, or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Section 5.1, 5.2, or 5.3 hereof; or (iii) any action taken by the Board or the officers of the Condominium to comply with Law.

Section 6.3 Statement of Common Charges. The Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 6.4 Default in Payment of Common Charges. (A) The Board shall take prompt action to collect any Common Charges and any Special Assessments due to the Board that remain unpaid for more than thirty (30) days after the due date. In connection therewith, the Board shall have the right and obligation to cause liens for all sums due and owing to the Board to be filed in the Register's Office pursuant to the terms of Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make payment within fifteen (15) days from the due date of Common Charges or Special Assessments, such Unit Owner shall be obligated to pay (1) a late charge of $.04 for each dollar of such amounts remaining unpaid for more than fifteen (15) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (2) interest thereon at the rate or 2% per month (but in no event in excess of the maximum rate permitted by law) on such unpaid amounts (less any late charges) computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common charges with said interest or late charge (as the case may be) and/or in foreclosing the aforementioned lien, including, without limitation, reasonable attorneys'

fee, disbursements and court costs. In addition, if the Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such late charges, interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by Unit Owner.

(C) In any action brought by the Board to foreclosure a lien on a Unit because of unpaid Common Charges or Special Assessments on the Unit, the Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote appurtenant to the same). In the event that the new proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order or priority of such liens.

(D) If the Common Charges due with respect to any Unit which is not occupied by its owner and is leased to third parties, including Unsold Units owned by the Sponsor, shall remain due and unpaid for more than sixty (60) days after the same became due and, after the expiration of all applicable grace periods, then the Board may demand that the tenants of such Units pay their rent directly to the Board. The Board's demand shall be in a writing delivered to both the tenant of the Unit and the non-occupying Owner and shall state the date as of which such direct rent payments to the Board shall commence and the address at which such payments shall be made. Such direct payment shall continue for so long as any arrears of Common Charges, late fees and Special Assessments affecting the Unit shall remain unpaid. If the non-occupying Unit Owner disputes the basis upon which the Board exercises its rights hereunder, such non-occupying Unit Owner may request an opportunity to present the facts pertaining to his claim at a special meeting of the Board, which shall be held within thirty (30) days after such Unit Owner delivers a written request for such a meeting.

Section 6.5 Reserve Fund; Working Capital Fund. (A) The Board may, in its sole discretion, but subject to the provisions of the Declaration, these By-Laws and the Rules and Regulations, from time to time assess Common Charges for the creation of, addition to or replacement of all or any part of any reserve, working capital or similar fund.

(B) In the case of any reserve fund, the Common Charges so assessed and allocated shall be used solely for the purchase or performance of goods or services for the repair, replacement or improvement of the capital plant of the Building and no portion of such funds shall be used for the payment of expenses associated with the day-to-day maintenance, repair or operation of the Building.

ARTICLE 7

SELLING AND LEASING OF UNITS

Section 7.1 General. Subject to the terms of Section 7.5 hereof, no Unit Owner may sell or lease his Unit other than the Sponsor as to Unsold Units and the Commercial Unit Owners except in compliance with the applicable provisions of this Article 7. Any purported sale or lease consummated in breach of this Article shall be voidable at the election of the Board, and, if the Board shall so elect, the breaching Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to eject the purported purchaser (in the event of any unauthorized sale) or to evict the purported tenant (in the event of an authorized leasing) in the name of the said Unit Owner as the owner or landlord, as the case may be. The said Unit Owner shall reimburse the Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and courts costs.

Section 7.2 Right of First Refusal. Subject to the terms of Section 7.5 and 7.9, any contract to sell a Unit together with its Appurtenant Interests and any lease of a Unit (hereinafter collectively referred to as a "Sale or Lease Agreement"), other than the Unsold Units and the Commercial Units, shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHT OF FIRST REFUSAL IN FAVOR OF THE CONDOMINIUM BOARD OF THE 88 WASHINGTON PLACE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN, PURSUANT TO THE TERMS OF SECTION 7.2 AND 7.3 OF THE BY-LAWS OF THE 88 WASHINGTON PLACE CONDOMINIUM AS THE SAME MAY HAVE BEEN AMENDED". Promptly after any such Sale or Lease Agreement shall have been fully executed, the Unit Owner executing the same (hereinafter referred to as the "Offeree Unit Owner") shall send written notice thereof to the Board by certified or registered mail, return receipt requested, with a fully executed, original counterpart of the Sale or Lease Agreement, containing all of the terms offered in good faith by the prospective purchaser or tenant (hereinafter referred to as the "Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell his Unit together with its Appurtenant Interests, or to lease his Unit, as the case may be, to the Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, upon the same terms and conditions as are contained in such Sale or Lease Agreement, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Board the Offeree Unit Owner shall submit to the Board, in writing, such further information with respect to the Outside Offeror and the Sale or Lease Agreement as the Board may reasonably request.

(C) The Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than thirty (30) business days after receipt of the notice referred to paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Unit together with its Appurtenant Interests (or to cause the same to be purchased by its designee, corporate or otherwise) on behalf of all Unit Owners upon the same terms and conditions as were contained in the Sale or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof.

Section 7.3 Acceptance of Offer. (A) In the event that the Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Unit together with its Appurtenant interests, or to cause the same to be purchased by its designee, or to lease the Unit, title shall close or a lease shall be executed, in either event, in accordance with the terms of the Sale or Lease Agreement, at the office of the attorneys for the Condominium within ninety (90) days after the day upon which the Board shall give notice or its election to accept such offer.

(B) The purchase price and all costs and expenses incurred in connection therewith will be assessed to all Unit owner. If such Unit and its Appurtenant Interest are to be purchased by the Board or its designee on behalf of all Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense, accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Board may levy a Special Assessment against each Unit Owner (other than the Offeree Unit Owner), in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interest. In addition, if the Outside Offeror was to assume or to 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 thereto subject such mortgage or mortgages, as the case may be. At the closing of title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interest, to the Board or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 339-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale notwithstanding any terms of the Sale of Lease Agreement to the contrary. Real estate taxes (including water charges ad sewer charges, if separately assessed) mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Board or its designee as of the closing date, notwithstanding any terms of the Sale or Lease Agreement to the contrary. Thereafter, such Unit shall be held, so long as the same is owned by the Board or its designee, on behalf of all Unit Owners, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit and the entire Property, as herein provided.

(C) In the event that such Unit to be leased by the Board or its designee, the Offeree Unit Owner shall execute and deliver to the Board or such designee a lease covering such Unit by

and between the Offeree Unit Owner, as landlord, and the Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc. or the Bar Association of the City of New York, shall contain all of the terms and conditions of the Sale or Lease Agreement not in conflict with any such form of lease, including without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Sale or Lease Agreement, however, such lease shall expressly provide that the Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

(D) Until such Unit is no longer owned by the Board, all costs and expenses of owning, maintaining, repairing, altering, improving, operating, leasing and managing same (including, but not limited to, purchase price, finance payments and charges, brokerage commissions and legal fees) shall be assessed solely to all remaining Unit Owners as a Common Expenses. In the event such Unit is used by the Board, the aforesaid costs plus rent and additional rent, if any, shall be assessed to all Unit Owners as a Common Expense. Likewise, all income, revenue and profit derived from such Unit shall be collected in behalf of all Unit Owners and used to defray the Common Charges.

(E) All Units acquired by the Board or its designee in connection with the enforcement of its lien unpaid Common Charges shall be held by the Board or its designee on behalf of all Unit Owners. The purchase price and all costs and expenses incurred in connection therewith shall be assessed to all Unit Owners as a Common Expense. Such Units shall not be subject to partition or occupancy by other Unit Owners and until no longer owned or lease by the Board, all costs and expenses shall be assessed to all Unit Owners as a Common Expense.

Section 7.4 Failure to Accept Offer. (A) If the Board fails to accept an offer made pursuant to the terms of Section 7.2 hereof with the times set forth in paragraph (C), the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within ninety (90) days after (i) notice of refusal is sent or the Offeree Unit Owner by the Board or (ii) the expiration of the period within which the Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement within such ninety (90) day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 7.2, 7.3, and 7.4 hereof.

(B) Any deed of a Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee constitutes an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

(C) Each lease of a Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such

modifications as may be approved in writing by the Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide, and be deemed to expressly provide, that:

(i) such lease may not be amended, modified, or extended without the prior written consent of the Board in each instance;

(ii) the tenant thereunder shall not assign his interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Board in each instance; and

(iii) the Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 Termination of, and Exceptions to, the Right of First Refusal. (A) A certificate executed and acknowledged by an officer of the Condominium stating that the provisions of Section 7.2 hereof have been met by a Unit Owner or that the right of first refusal provided for 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 all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Board shall furnish or cause the Managing Agent to furnish, such certificate upon written request to any Unit Owner in respect to whom the provisions of Section 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Board (as opposed to satisfied pursuant to the express terms of Section 7.2, 7.3 and 7.4 hereof) in the absence of a certificate that has been duly executed, acknowledged and issued by the Board or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Sections 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease, or conveyance of a Unit, together with its Appurtenant Interests, by:

(i) the owner of such Unit to any of his adult Family Members, to any combination of the same, or to a trust for the benefit of any of them or, with respect to a Unit Owner that is not an individual, to any entity or individual that own more than fifty (50%) percent of the legal and beneficial interests of such Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty (50%) percent of the legal and beneficial interest thereof;

(ii) Sponsor, or its designee, with respect to the Unsold Units;

(iii) Commercial Unit Owners with respect to the Commercial Units;

(iv) the Board;

(v) 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

(vi) any Permitted Mortgage, or his nominee, who has acquired title to any Unit at any foreclosure sale of his or her Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding unit Owner shall be bound by, and his Unit shall continue to be subject to, all of the terms and conditions of this Article 7. In addition, the terms and conditions contained in Section 7.2 hereof shall in no event apply to a sale, lease, or conveyance of (i) a Unit to a Permitted Mortgagee or a purchaser at a foreclosure sale of a Permitted Mortgage in connection with a foreclosure or a sale in lieu of foreclosure or (ii) either all or a portion of the Commercial Units, together with this Appurtenant Interest.

Section 7.6 No Severance of Ownership. No Unit Owner shall execute any deed or other instrument conveying title to his Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 Payment of Common Charges. No Unit Owner shall be permitted to convey or lease his Unit unless he shall have paid in full to the Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit. A letter from an officer of the Board or the Condominium's Managing Agent stating the amount of any Common Charges and Special Assessments, if any, with respect to such Unit may be relied upon as conclusive evidence of such fact. Notwithstanding the foregoing, any conveyance or lease of an Unsold Unit without complying with the provisions of this Section 7.7 shall not affect the validity of such conveyance or lease.

Section 7.8 Power of Attorney. (A) At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his title insurance company (or, if no such representative is present, to Sponsor or its designee, or if Sponsor or its designee is not then the owner of any Unsold Unit, to the Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 14

of the Declaration, in the form set forth as Exhibit E to the Declaration.

(B) In the case of Unit Owners who acquire Unit subject to the tenancies of Non-Purchasing Tenants, such Unit Owners shall also execute and deliver a power of attorney appointing the Board, or its duly selected Managing Agent, and their respective successors and assigns as such Unit Owner's agent for the provision of all goods and services required by law to be provided to such Non-Purchasing Tenant and/or the Unit they occupy.

Section 7.9 Gifts and Devises, Etc. Any Unit Owner shall be free to convey or transfer his Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, the provisions of this Article 7.

Section 7.10 Charges Imposed on Sale or Lease of Units. If not prohibited by Law, the Board shall have the right and authority to fix be resolution and collect, before any sale or lease of a Unit (other than an Unsold Unit or the Commercial Units) is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by the Board, in connection with the sale or lease. If such charge is adopted, it shall be added to and constitute Common Charges payable by the transferor Unit Owner. Notwithstanding the foregoing, such charge shall not be collected from Sponsor or its designee, in the event Sponsor or its designee sells or leases an Unsold Unit, or from the Commercial Unit Owners in connection with a sale or lease of all or part of the Commercial Units.

ARTICLE 8

MANAGING OF UNITS

Section 8.1 General. Each Unit Owner shall have the right to mortgage his Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his Unit, or the holder of such mortgage, shall supply the Board with the name and address of his mortgagee and, if requested by the Board, shall file a conformed copy of the note and mortgage with the Board. Any Unit owner who satisfies a mortgage covering his Unit shall so notify the Board and, if requested by the Board, shall file a conformed copy of the satisfaction of mortgage with the Board.

Section 8.2 Restrictions on Mortgaging. (A) No Unit Owner (other than the owner of an Unsold Unit) shall be permitted to mortgage, pledge, or hypothecate his Unit unless and until he shall have paid in full to the Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, levied against such Unit except the liens of Permitted Mortgages. A letter form the Board or the Managing Agent stating the amount of unpaid Common Charges and Special Assessments, if any, with respect to such Unit may be relied upon as conclusive evidence of payment to its date.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to his Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

Section 8.3 Notice of Unpaid Common Charges and Default. Whenever requested in writing by a Permitted Mortgagee, the Board shall promptly report to such Permitted Mortgagee any default by his mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Board has knowledge then exists. The Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his Permitted Mortgagee if so requested. However, the Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of such default by his mortgagor, provided that (i) the Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (subject to and in accordance with the lien priority set forth in Article 6 above) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 Performance by Permitted Mortgagees. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his Permitted Mortgagee, and the Board shall accept such Permitted Mortgagees payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 Examination of Books. Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6 Consent of Mortgagees; Designation of Mortgage Representatives. (A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or there By-Laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than two (2) Mortgage

Representatives by giving written notice thereof to the Board, which Mortgage Representative shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Board. Unless otherwise required by Law, no holders of mortgages encumbering Units other than Permitted Mortgagees who hold Institutional Mortgages shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 Self Help. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his Unit or its appurtenant Limited Common Elements pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within five (5) days after receipt of written notice of the same from the Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five (5) day period and, thereafter, to prosecute such cure with due diligence to completion), the Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common Elements and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner or trespass. In addition, in the event that the Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to sure such violation or breach.

Section 9.2 Abatement and Injunction. (A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Board shall have the right to seek to enjoin, abate, or otherwise remedy the continuance or repetition of any such violation or breach by appropriate proceeding brought either at law or in equity.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any of the rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or

repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 Remedies Cumulative. The remedies specifically granted to the Board or to Sponsor or its designee in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Board or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by (i) the Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable y (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Board or the Unit Owner) to Sponsor, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two (2%) percent per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Board pursuant to the terms of this Section 9.4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner and the Board shall have such remedies with respect to their collection as are provided generally for Common Charges in Article 6.

ARTICLE 10

ARBITRATION

Section 10.1 Procedure. Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his selection or appointment. Any arbitrator appointed or selected in connection with any arbitration conducted hereunder shall be a member of a law firm having at least five (5) members and whose principal office is located in the City of New York.

Section 10.2 Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written

agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve dispute in any alternative manner, including, without limitation, the manner set forth in Section 3031 of the New York Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 10.3 Binding Effect. The decision in any proceeding conducted pursuant to the terms of Section 10.1 and/or 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the Section 4.1 hereof shall be non-binding.

Section 10.4 Costs and Expenses. (A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute be substantially upheld by the arbitrator, such fees, costs expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

(B) 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.

ARTICLE 11

NOTICES

Section 11.1 General. All notices required or desired to hereunder except for notice of meetings under Articles 2 and 4 shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Board, at its principal office as set forth in Section 1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address;

(ii) if to a Unit Owner other than Sponsor or its designee, to such Unit Owner at his address at the Property;

(iii) if to Sponsor or its designee, to Sponsor or such designee, care of Sponsor's attorney, Friedberg Greener Cohen, LLP, 444 Madison Avenue, New York, New York, 10022, Attn: Richard N. Cohen, Esq.; or

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may

designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given five (5) days after deposited in a branch or general post office or depository maintained by the United States Postal Service located in State of New York enclosed in a sealed, postage prepaid wrapper, addressed as aforesaid.

Section 11.2 Waiver of Service of Notice. Whenever any notice is required to be given by Law pursuant to the terms of the Condominium Documents, 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 of the proper giving of notice, except for any notice required to be given pursuant to Section 7.11.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 General. (A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments (hereinafter referred to as "Special Amendments") affecting or in favor of Sponsor or its designee, any Unsold Unit(s), the Commercial Unit Owners, the Commercial Units and/or any Permitted Mortgagee, any provision of these By-Laws may be amended, modified, to, or deleted by the affirmative vote of not less than two thirds (66 2/3%) in number and aggregate Common Interest of all Unit Owners either taken at a duly constituted meeting thereof or give in either writing without a meeting as provided in Section 4.10 hereof. Each adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage of Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in a paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-Laws with respect to Special Amendments:

(i) the Common Interest appurtenant to any unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.5 hereof;

(ii) no amendment, modification, addition, or deletion agreed to pursuant to the terms of paragraph (A) hereof shall be effective without the prior written consent of the Mortgage Representatives, if any, provided, however, that no such consent shall be unreasonably withheld or delayed; and

(iii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted unless (in addition to the consent, if required, of the Mortgage Representatives as provided above) not less than eighty (80%) percent in number and n aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 Special Amendments. (A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by Sponsor or its designee without the consent of th Board or the Unit Owners shall be embodied in an instrument executed and recorded in the Registers Office by Sponsor or such designee as attorney-in-fact of both the Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or such designee, certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or such designee pursuant to the terms of the Declaration and/or these By-Laws, in which Certification where shall be set forth the Article and/or Section f the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register' Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor or its designee, any Unsold Unit, any Commercial Unit Owner, and/or any Commercial Units unless and until Sponsor, such designee, Unsold Unit Owner and/or the Commercial Unit Owners shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) of Section 6.2, or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 General. Any Person that is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee or sublessees of a Unit Owner, an occupant of a Unit, a member of the Board, an officer of the Condominium, or otherwise, shall, at the expense of any

other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 Failure to Deliver or Act. (A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If the Board, any Unit Owner, or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Board, such Unit owner, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor or its designee, then Sponsor or its designee is hereby authorized, as attorney-in-fact for the Board, such Unit owner, or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board, such Unit Owner, or other Person, and such document or action shall be binding on the Board, such Unit Owner, or other Person.

ARTICLE 14

MISCELLANEOUS

Section 14.1 Inspection of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 14.2 Waiver. No provisions contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breached that may occur.

Section 14.3 Conflicts. In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of th Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 Severability. If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 Successors and Assigns. Except as otherwise expressly provided below or elsewhere in these By-Laws, the right and/or obligations of each Unit Owner as set forth herein shall inure to the benefit of, and shall be binding upon such Unit Owner's successors and assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with the consent of Sponsor, any transferee of all of then Unsold Units. Notwithstanding the foregoing, any Permitted Mortgagee of a Unit or a purchaser at a foreclosure sale of a Permitted Mortgage who succeeds to the interest of a Unit Owner shall be responsible only for the obligations of such Unit Owner arising from or after the effective date of succession to title to such Unit and shall not be liable for any unpaid Common Charges or Special Assessments accruing prior to the effective date of such succession.

Section 14.6 Gender. 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.

Section 14.7 Captions. The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision hereof.

Addendum to the By-Laws of
88 Washington Place Condominium

RULES AND REGULATIONS
of
88 WASHINGTON PLACE CONDOMINIUM

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a Family Member or a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employees, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building. No occupant of a Unit shall permit any of its agents, employees, contractors, licensees or invitees to congregate or loiter in any of the public areas of the Building.

2. No velocipedes, bicycles, scooters or baby carriages shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. No article (including, but not limited to, garage cans, bottles, mats, plants, vases, flower pots or flower boxes) shall be placed or stored in any of the halls, on any of the staircases or on any fire escape of the Building, nor shall any fire exit thereof be obstructed in any manner.

4. Any storage room for Unit Owners shall be used by all Owners, in common, only for the storage of such articles as the Board, in its sole discretion, may determine. Supervision, management and control of the moving in, storing and removal of a Unit Owner's property from the storage room is vested in the Board. The use of the storage rooms, if any, shall be at the sole risk of the Unit Owner or other person using the same, and the Board, its agents, or the Managing Agents shall not be liable for any injury to person, loss by theft or otherwise, or damage to property, whether due to the negligence of the Board, its agents, the Managing Agent, or otherwise.

5. No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit or shall be dried or aired on any roof terrace in any manner visible from the street.

6. No awnings or other projections shall be attached to the outside walls or windows of the Condominium.

7. The Board or the Managing Agent shall have the right to prescribe the weight and position of safes and other objects of excessive weight and no safe or other object the weight of which exceeds the lawful load for the area upon which it would stand shall be brought into or kept upon the Unit. All removals, the carrying in or out of the Building and the movement from floor

to floor within the Building of any safes, freight, furniture, packages, boxes, crates or any other object or matter of any description, shall take place only during such hours, in such elevators and under such restrictions as the Board may from time to time reasonably determine, which may involve overtime work for the Board's employees. Each occupant shall reimburse the Board for extra costs incurred by the Board in connection therewith. The persons employed to move the same in and out of the Building shall be reasonably acceptable to the Board.

8. Trash and refuse from the Units (other than the Commercial Units, whose owners shall be responsible for their own trash and refuse removal) shall be disposed of only at such times and in such manner as the Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows, or roof terraces, or placed upon the window sills, of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris other substance therefrom.

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

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

11. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the common Elements, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No unit Owner or any of his Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

12. There shall be no barbecuing in the Units, or in the Common Elements, except for those areas (if any) specifically for barbecuing by the Board.

13. No Unit owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or permit anything to be done therein that will interfere with the rights, comforts, or comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instruments or shall operate or permit to be operated a phonograph, radio, television or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M.. No construction, repair works 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 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

14. No bird, reptile, or animal shall be permitted, raised, bred, kept or harbored in the Units unless, in each instance, the same shall have been expressly permitted in writing by the Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal be permitted in any public elevator of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or in the sidewalk or street adjacent to the Building.

15. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

16. No group tour or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit, without the consent of the Board or the Managing Agent in each instance. In the event that any Unit shall be used for home occupation or other permitted purposes in conformance with Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule of the Building.

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

18. No ventilator or air conditioning device shall be installed in any Unit other than the Commercial Units without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

19. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease," or "For Rent" signs) shall be inscribed or exposed or at any window or other part of the Building, except such as are permitted pursuant to the terms of the Declaration and/or the By-Laws or shall have been approved in writing by the Board or the Managing Agent. Nothing shall be projected from any window of a Unit without similar approval.

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

21. Water-closets and other water apparatus, in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into 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.

22. Each Unit Owner shall keep his Unit and its appurtenant Limited Common Element in a good state of preservation, ,condition, repair and cleanliness in accordance with the terms of the By-Laws.

23. The agents of the Board or the Managing Agent, and any contractor or workman authorized by the Board or the Managing Agent may enter any room in the Building 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.

24. The Board or the Managing Agent may 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 Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board or the Managing Agent, then the Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit with out liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

25. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board not the Managing Agent shall (except as provided in Rule 24 above) be liable for injury, loss, or damage of any nature whatsoever, directly resulting therefrom or connected therewith.

26. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time 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.

27. Unless the Board shall have consented to the same, the Board shall have the right to prohibit any advertising or identifying sign by an Occupant, other than signage for the Commercial Units which shall be approved by the Board, in the reasonable judgment of the Board, tends to impair the appearance or reputation of the Building or the desirability of the Building, and

upon written notice from the Board, such occupant shall refrain from and/or discontinue such advertising or identifying sign, unless the Board previously shall have consented to the same.

28. Canvassing, soliciting and peddling in the Building are prohibited and each occupant shall cooperate to prevent the same.

29. Any persons employed by an occupant to perform any repaid, maintenance or janitorial work within such occupant's premises shall, while in the Building and outside of such occupant's premises, by subject to and under the control and direction of the Board (but not as an agent, servant or employee of the Board) and such occupant shall be responsible for all acts of such persons.

30. Whenever any occupant shall submit to the Board any plan, agreement or other document for the consent or approval of the Board, such Occupant shall pay to the Board on demand, a processing fee in the amount of the reasonable fees for the review thereof, including the services of any architect, engineer or attorney employed by the Board to review such plan, agreement or documents.

31. Occupants shall not cause or permit any Hazardous Material (hereinafter defined) to be used, stored, transported, released, handled, produced or installed in, on or from the premises of the Building, except items that are customary in comparable buildings and households, provided that the quantity of such items in the premises shall not exceed the quantities customary for such use and provided further that the presence or use of such items shall not violate any legal requirements. "Hazardous Materials" means any flammables, explosives, radioactive materials, hazardous wastes, hazardous and toxic substances or related materials, asbestos, or any material containing asbestos, or any other substance or material defined as hazardous or toxic in any Federal, state or local environmental law, ordinance, rule or regulations including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, as amended, the Resource Conservation and Recovery Acts, as amended, and in the regulations adopted and publications promulgated pursuant to each of the foregoing. In the event of a breach of the provisions of this Rule 31, the Board shall have the right, in addition, to all other rights and remedies of the Board under the Declaration and By-Laws or at law, to require the occupant to remove any such Hazardous Materials from the premises.

32. No occupant shall employ any contractor for the supplying of goods or services in or to his Unit or premises which shall be the cause of labor disharmony at the Building or involving the Unit of any other Unit Owner. Each occupant shall indemnify and hold harmless each Unit Owner from and against any loss, cost or liability (including reasonable attorneys' fees) incurred by such Unit owner as a result of any labor disturbance caused by the failure of such Occupant to comply with the provisions of this rule.

33. Complaints regarding the service of the Condominium shall be made in writing to the Board or to the Managing Agent.

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EXHIBIT G

MODEL ESCROW AGREEMENT AND FORM FOR DISPUTES REGARDING TRUST FUNDS

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ATTORNEY GENERAL
OF THE STATE OF NEW YORK
MODEL FORM
FOR ESCROW AGREEMENT

AGREEMENT made this 30 day of March, 2005, between Paxton 350, LLC and Ciao-Di Restaurant Corporation (collectively the "SPONSOR") as the sponsor of the offering plan and Friedberg Greener Cohen, LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, Paxton 350, LLC and Ciao-Di Restaurant Corporation are collectively the Sponsor of an offering plan to convert to condominium ownership the premises located 88 Washington Place, New York, New York, which premises are know as the 88 Washington Place Condominium; and

WHEREAS, Friedberg Greener Cohen, LLP is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers 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 or payments made by purchasers. The escrow account has been opened with the HSBC Bank USA at its branch located at 415 Madison Avenue, New York, New York 10022. The master account number is _____.

1.2 The name of the account will be "Friedberg Greener Cohen, LLP Special Escrow Account".

1.3 ESCROW AGENT is the sole signatory on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the offering plan.

1.5 The escrow account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT

2.1 All funds received from prospective or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser to the order of Friedberg Greener Cohen, LLP, as escrow agent of 88 Washington Place Condominium offering plan. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five 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 a 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 theses 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 plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an order or 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.

3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to the 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. RECORD KEEPING

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed

hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT

5.1 ESCROW AGENT shall maintain the accounts called for 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 agree 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 The Agreement shall remain in effect unless and until it is canceled, by either:

1. Written notice by SPONSOR or 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

2. 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

3. All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8. 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 circumstances.

11. SEVERABILITY

11.1 If any provisions of his Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

FRIEDBERG GREENER COHEN, LLP

By: _____

SPONSOR:

PAXTON 350, LLC

By: _____
Name:
Title: MANAGING MEMBER

SPONSOR:

CIA-DI RESTAURANT CORPORATION

By: _____
Name:
Title:

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 circumstances.

11. SEVERABILITY

_____11.1 If any provisions of his Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT

_____12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

FRIEDBERG GREENER COHEN, LLP

By: _____

SPONSOR:

PAXTON 350, LLC

By: _____
Name:
Title:

SPONSOR:

CIA-DI RESTAURANT CORPORATION

By: Yvonne R Wagner
Name: Yvonne R. Wagner
Title: TREASURER

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APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWNPAYMENTS

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____
Address of Building or Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of downpayments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant _____

2. Address of Applicant _____

3. Name, Address, and Telephone Number of Applicant's Attorney (if any) _____

_____

4. This is an application for

[ ] return of downpayment.
[ ] forfeiture of downpayment.
[ ] other: _____

5. The project is
[ ] a conversion of occupied premises.
[ ] newly constructed or rehabilitated.
[ ] vacant (as is).

6. The project is structured as
[ ] a cooperative.
[ ] a condominium.
[ ] a homeowners association.
[ ] a timeshare.
[ ] other: _____

7. Name and Address of Sponsor: _____

_____

8. Name and Address of Escrow Agent: _____

_____

9. If downpayments are maintained in an escrow account:

(a) Name of account _____

(b) Name and address of bank _____

(c) Account number (if known) _____

(d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:

(a) Name and address of bond issuer or surety: _____

_____

(b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND). If not included, explain:

_____

_____

11. If downpayments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: _____

_____

(b) Date of expiration of the letter of credit, if known: _____

_____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan

[ ] has been declared effective. Approximate date:
[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date:
[ ] has not closed.
[ ] don't know.

(d) Downpayments are secured by

[ ] escrow account.
[ ] bonds.
[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____

_____

_____

_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____

_____

15. I am contemporaneously sending a copy of this application to the following persons:

_____

_____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) (Business): _____

Mailing Address: _____

EXHIBIT H

CERTIFICATIONS

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CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO 13 NYCRR 20.4(b)

March 16, 2005

Investment Protection Bureau
Real Estate Financing Section
Office of the Attorney General
120 Broadway, 23rd Floor
New York, New York 10271

RE: 88 Washington Place Condominium
88 Washington Place, New York, New York

Gentlemen:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Office of the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

PAXTON 350, LLC

By: _____
Name: Alan B. Friedberg
Title: Managing Member

_____
Alan B. Friedberg

_____
David Gruber

_____
Al Noe

Sworn to before me this
16 day of March, 2005.

_____
Notary Public

RICHARD N. COHEN
Notary Public, State of New York
No. 60-4668308
Qualified in Westchester County
Commission Expires January 20, ~~19~~ 2006

(vii) not contain any representation or statement which is false, where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

PAXTON 350, LLC

By:_____
Name: Alan B. Friedberg
Title: Managing Member

_____
Alan B. Friedberg

_____
David Gruber

_____
Al Noe

Sworn to before me this
15th day of March, 2005.

_____
Notary Public
* Signature of Al Noe only

DIANNE INGRAM
MY COMMISSION # DD 340376
EXPIRES: July 22, 2008
Bonded Thru Notary Public Underwriters

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CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO 13 NYCRR 20.4(b)

March 16, 2005

Investment Protection Bureau
Real Estate Financing Section
Office of the Attorney General
120 Broadway, 23rd Floor
New York, New York 10271

RE: 88 Washington Place Condominium
88 Washington Place, New York, New York

Gentlemen:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Office of the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

CIAO-DI RESTAURANT CORPORATION

By: Yvonne Wagner Treasurer
Name: Yvonne Wagner
Title: Treasurer

Yvonne Wagner
Yvonne Wagner

Marie D. Rainero

Marie G. Rainero

Yvonne Wagner
Sworn to before me this
11th day of March, 2005.

Daveta Winski
Notary Public

DAVETA WINSKI
Notary Public, State of New York
No. 01WI6093047
Qualified in Suffolk County
Commission Expires May 27, 20 07

(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.

Very truly yours,

CIAO-DI RESTAURANT CORPORATION

By:_____
Name: Yvonne Wagner
Title: Treasurer

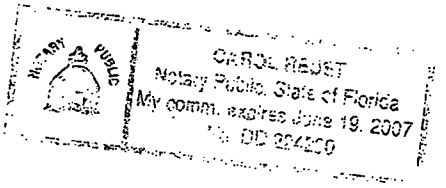
_____
Yvonne Wagner

_____
Marie D. Rainero

_____
Marie G. Rainero

Sworn to before me this
16 day of March, 2005.

_____
Notary Public



(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.

Very truly yours,

CIAO-DI RESTAURANT CORPORATION

By:_____
Name: Yvonne Wagner
Title: Treasurer

_____
Yvonne Wagner

_____
Marie D. Rainero

Marie G. Rainero

Sworn to before me this
16th day of March, 2005.

Notarized for Marie G. Rainero.

Notary Public

ANITA MEHRA
Notary Public, State of New Jersey
Commission Expires 03/08/2009

SLCE*Architects*

88 Washington Place Condominium
88 Washington Place
New York, New York

CERTIFICATION OF SPONSOR'S ARCHITECT
PURSUANT TO PART 20
OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW
ARTICLE 23-A AS AMENDED

March 14, 2005

Broadway
York, NY 10003
979 8400 telephone
979 8387 telefax
slcearch.com

Claman, AIA
DePol, AIA
Yakas, AIA
Davidson, AIA
P. Russo, AIA

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction and/or renovation of the property (the "Report"). We will visually observe existing portions of the renovated property, upon completion, and we have examined the building plans and specifications that were prepared by our firm dated December 15, 2004, and prepared the Report revised and dated March 14, 2005 a copy of which is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report (and addendum).

We are a registered architects/licensed in the State in which the property is located.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Office of the Attorney General in Part 20 insofar as they are applicable to this Report (addendum).

We have read the entire Report (addendum) and reviewed the facts set forth in the Report (addendum) 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 (addendum):

(i) sets forth in narrative form the description and/or physical condition of the entire property (the aspects of the property discussed in the addendum) as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that we examined.

(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 (the aspects of the property discussed in the addendum) as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that we examined.

(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;

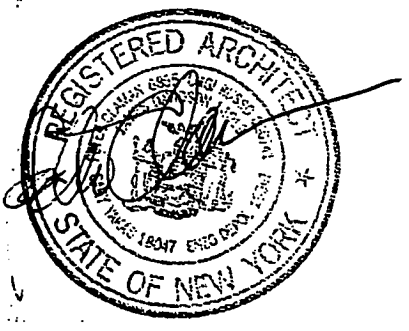
(b) with reasonable effort could have known the truth;

(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 (addendum) 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.

PETER CLAMAN, AIA
For SLCE *Architects*



Sworn to before me this
12 day of March, 2005.

Notary Public

SHERRY LYNN EID
Notary Public, State of New York
No. 01EI6113413
Qualified in New York County
Commission Expires July 26, 2008

TAUBE MANAGEMENT corp.
LICENSED REAL ESTATE BROKER
204 East 83rd Street • New York, NY 10028
Tel 212.288.0077 • Fax 212-734.2065

CERTIFICATION BY SPONSOR'S EXPERT AS TO ADEQUACY OF BUDGET PURSUANT TO PART 23 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A AS AMENDED

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
23rd Floor
New York, New York 10271

Re: Condominium Offering Plan
88 Washington Place Condominium LLC
88 Washington Place, New York, NY 10011

The sponsor of the condominium offering plan for the captioned property retained our firm to review or prepare Schedule B and B-1 containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes:

Taube Management Corp., a licensed Real Estate Broker, began operations approximately 25 years ago. We own, as well as manage over twenty-five rental and condominium properties, all in New York City. We are also members of The Real Estate Board of New York, B.O.M.A., and the Executive Association of New York City.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Office of the Attorney General in Part 20 insofar as they are applicable to Schedule(s) B, B-1 and C.

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 also have relied on our experience in managing residential buildings.

We certify that the projections in the Schedule B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedule:

TAUBE MANAGEMENT corp.
LICENSED REAL ESTATE BROKER
204 East 83rd Street • New York, NY 10028
Tel 212.288.0077 • Fax 212-734.2065

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the 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.

Very truly yours,

TAUBE MANAGEMENT CORP.

By: _____

Name: Joseph M. Taube

Sworn to before me this

9th day of March, 2005

Janet Kane

JANET KANE
Notary Public, State of New York
No. 01KA4662615
Qualified in New York County
Commission Expires March 30, 2007

Notary Public

TAUBE MANAGEMENT corp.
LICENSED REAL ESTATE BROKER
204 East 83rd Street • New York, NY 10028
Tel 212.288.0077 • Fax 212-734.2065

PART 23: CERTIFICATION BY EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER(S)

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
23rd Floor
New York, New York 10271

Re: Condominium Offering Plan
88 Washington Place Condominium LLC
88 Washington Place, New York, NY 10011

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B containing projections of common charges payable by the owners of the commercial units. Taube Management Corp., a New York State licensed Real Estate Broker, began operations approximately 25 years ago. Approximately 10 of the cooperative and condominium buildings that we manage contain commercial space.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Office of the Attorney General in Part 20 insofar as they are applicable to the commercial unit(s) listed in Schedule B.

We have reviewed the Schedule as it impacts upon the commercial units and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B for the common charges payable by the owners of the commercial unit(s) appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit(s) for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial unit(s) 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 owners of the commercial unit(s):

(i) set forth in detail the projected common charges for the commercial unit(s) for the first year of condominium operation;

TAUBE MANAGEMENT corp.
LICENSED REAL ESTATE BROKER
204 East 83rd Street • New York, NY 10028
Tel 212.288.0077 • Fax 212-734.2065

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial unit(s);

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges attributable to the commercial unit(s) 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.

TAUBE MANAGEMENT CORP.

By: _____
Name: Joseph M .Taube

Sworn to before me this
9th day of March, 2005

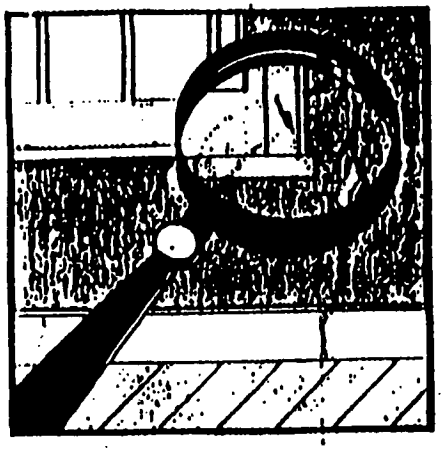
JANET KANE
Notary Public, State of New York
No 01KA4662615
Qualified in New York County
Commission Expires March 30, 2007

_____
Notary Public

EXHIBIT I

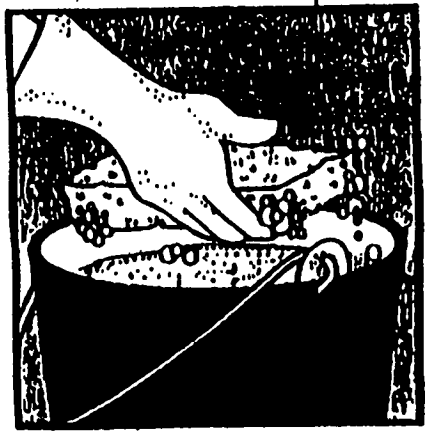
LEAD PAINT INFORMATION

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Protect Your Family From Lead In Your Home



U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207

EPA747-K-94-001
May 1995

EPA
United States
Environmental Protection
Agency

United States Consumer
Product Safety Commission

a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

By 1996, federal law will require that individuals receive certain information before renting, buying, or renovating pre-1978 housing:



LANDLORDS will have to disclose known information on lead-based paint hazards before leases take effect. Leases will include a federal form about lead-based paint.

SELLERS will have to disclose known information on lead-based paint hazards before selling a house. Sales contracts will include a federal form about lead-based paint in the building. Buyers will have up to 10 days to check for lead hazards.



RENOVATORS will have to give you this pamphlet before starting work.



IF YOU WANT MORE INFORMATION on these requirements, call the National Lead Information Clearinghouse at **1-800-424-LEAD.**

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Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

FACT: Lead exposure can harm young children and babies even before they are born.

FACT: Even children that seem healthy can have high levels of lead in their bodies.

FACT: People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips with lead in them.

FACT: People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.

FACT: Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

1 out of every 11 children in the United States has dangerous levels of lead in the blood-stream.

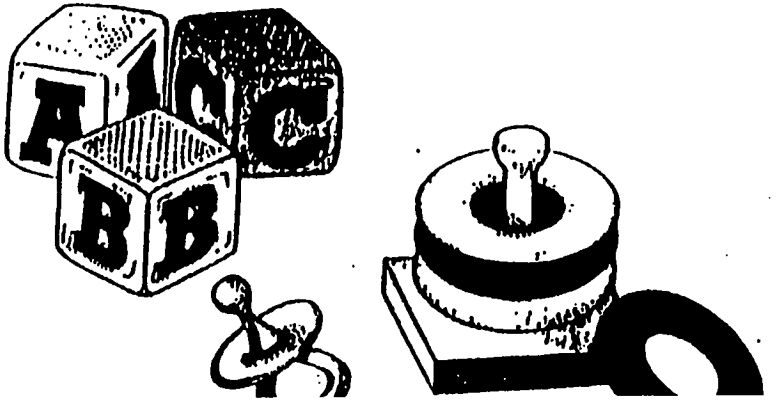
Even children who appear healthy can have dangerous levels of lead.

People can get lead in their body if they:

- Put their hands or other objects covered with lead dust in their mouths.
- Eat paint chips or soil that contain lead.
- Breathe in lead dust (especially during renovations that disturb painted surfaces).

Lead is even more dangerous to children than adults because:

- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.
- Children's growing bodies absorb more lead.
- Children's brains and nervous systems are more sensitive to the damaging effects of lead.



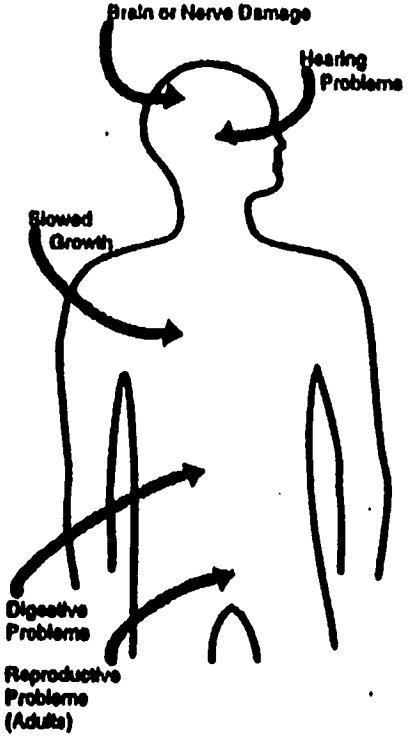
Lead's Effects

If not detected early, children with lead in their bodies can suffer from:

- Damage to the brain and nervous system
- Behavior and learning problems (such as hyperactivity)
- Slowed growth
- Hearing problems
- Headaches

Lead is also harmful to adults. Adults can suffer from:

- Difficulties during pregnancy
- Other reproductive problems (in both men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain



Lead affects the body in many ways.

Checking Your Family for Lead

Get your children tested if you think your home has high levels of lead.

A simple blood test can detect high levels of lead. Blood tests are important for:

- Children who are 6 months to 1 year old (6 months if you live in an older building or home that might have lead in the paint).
- Family members that you think might have high levels of lead.

If your child is older than 1 year, talk to your doctor about whether your child needs testing.

Your doctor or health center can do blood tests. They are inexpensive and sometimes free. Your doctor will explain what the test results mean. *Treatment can range from changes in your diet to medication or a hospital stay.*

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. In 1978, the federal government banned lead-based paint from housing.

Lead can be found:

- In homes in the city, country, or suburbs.
- In apartments, single-family homes, and both private and public housing.
- Inside *and* outside of the house.
- In soil around a home. (Soil can pick up lead from exterior paint, or other sources such as past use of leaded gas in cars).

Where Lead Is Likely To Be a Hazard

Lead-based paint that is in good condition is usually not a hazard.

Peeling, chipping, chalking, or cracking lead-based paint is a hazard and needs immediate attention.

Lead-based paint may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear. These areas include:

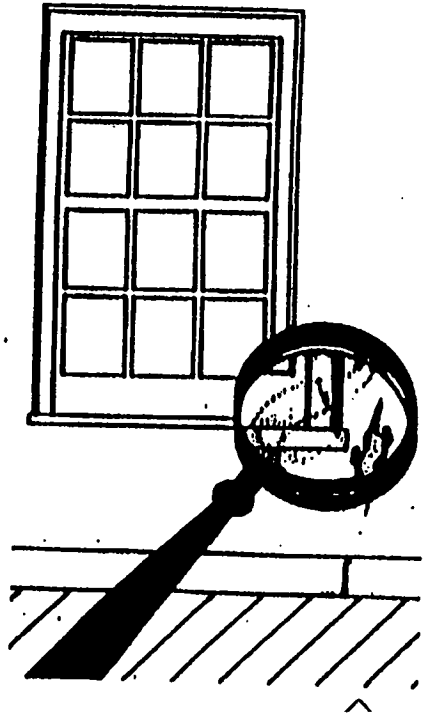
- Windows and window sills.
- Doors and door frames.
- Stairs, railings, and banisters.
- Porches and fences.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards

Lead dust can form when lead-based paint is dry scraped, dry sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when people vacuum, sweep, or walk through it.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. Call your state agency (see page 12) to find out about soil testing for lead.





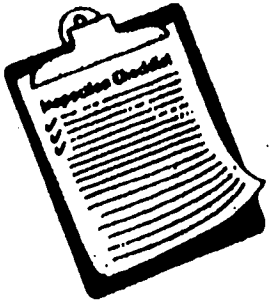
Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home checked for lead hazards in one of two ways, or both:

- **A paint inspection** tells you the lead content of every painted surface in your home. It won't tell you whether the paint is a hazard or how you should deal with it.
- **A risk assessment** tells you if there are any sources of serious lead exposure (such as peeling paint and lead dust). It also tells you what actions to take to address these hazards.

Have qualified professionals do the work. *The federal government is writing standards for inspectors and risk assessors. Some states might already have standards in place.* Call your state agency for help with locating qualified professionals in your area (see page 12).



Trained professionals use a range of methods when checking your home, including:

- Visual inspection of paint condition and location.
- Lab tests of paint samples.
- Surface dust tests.
- A portable x-ray fluorescence machine.

Home test kits for lead are available, but the federal government is still testing their reliability. These tests should not be the only method used before doing renovations or to assure safety.

Your Family

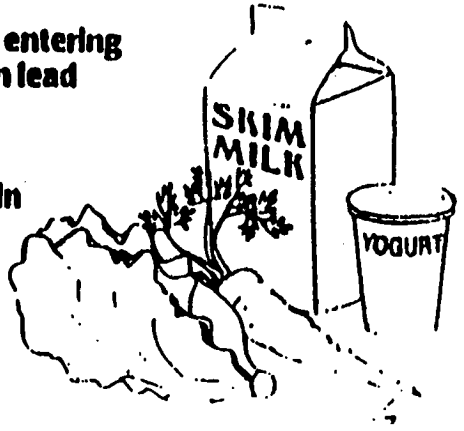
If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:



- If you rent, notify your landlord of peeling or chipping paint.
- Clean up paint chips immediately.
- Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.



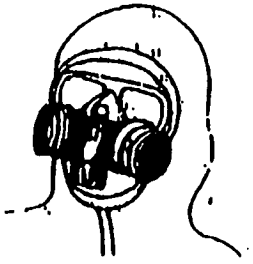
- Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.
- Wash children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces.
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children eat nutritious, low-fat meals high in iron and calcium, such as spinach and low-fat dairy products. Children with good diets absorb less lead.



How To Significantly Reduce Lead Hazards

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



In addition to day-to-day cleaning and good nutrition:

- You can temporarily reduce lead hazards by taking actions like repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will not eliminate all risks of exposure.
- To permanently remove lead hazards, you must hire a lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not enough.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. If possible, hire a certified lead abatement contractor. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Call your state agency (see page 12) for help with locating qualified contractors in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

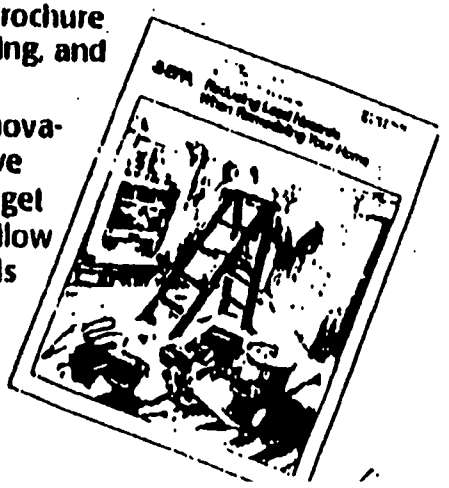
Take precautions before you begin remodeling or renovations that disturb painted surfaces (such as scraping off paint or tearing out walls):

- **Have the area tested for lead-based paint.**
- **Do not use a dry scraper, belt-sander, propane torch, or heat gun to remove lead-based paint.** These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

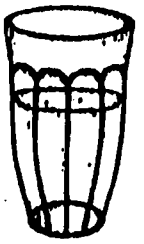
If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.



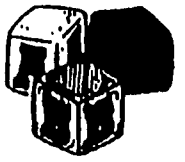
If not conducted properly, certain types of renovations can release lead from paint and dust into the air.

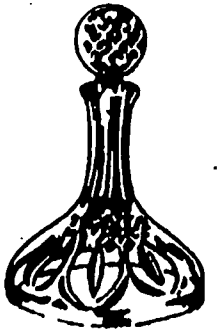


Other Sources of Lead



While paint, dust, and soil are the most common lead hazards, other lead sources also exist.





- **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your clothes separately from the rest of your family's.
- **Old painted toys and furniture.**
- **Food and liquids stored in lead crystal or lead-glazed pottery or porcelain.**
- **Lead smelters** or other industries that release lead into the air.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.
- **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.

For More Information

The National Lead Information Center

Call **1-800-LEAD-FYI** to learn how to protect children from lead poisoning.

For other information on lead hazards, call the center's clearinghouse at **1-800-424-LEAD.** For the hearing impaired, call, **TDD 1-800-526-5456.** (FAX: **202-659-1192,** Internet: **EHC@CAIS.COM**).

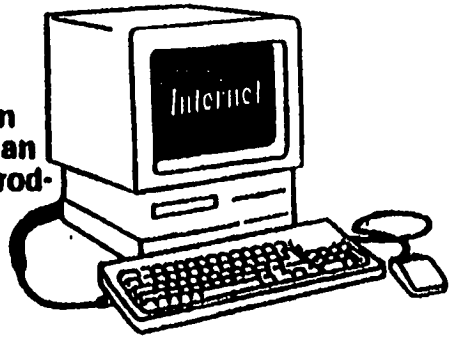


EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772.** (Internet: info@cpsc.gov). For the hearing impaired, call **1-800-638-8270.**



Local Sources of Information

State Health and Environmental Agencies

Some cities and states have their own rules for lead-based paint activities. Check with your state agency (listed below) to see if state or local laws apply to you. Most state agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards.

State/Region	Phone Number	Missouri	(314) 526-4911
Alabama	(205) 242-5661	Montana	(406) 444-3671
Alaska	(907) 465-5152	Nebraska	(402) 471-2451
Arkansas	(501) 661-2534	Nevada	(702) 687-6615
Arizona	(602) 542-7307	New Hampshire	(603) 271-4507
California	(510) 450-2424	New Jersey	(609) 633-2043
Colorado	(303) 692-3012	New Mexico	(505) 841-8024
Connecticut	(203) 566-5808	New York	(800) 458-1158
Washington, DC	(202) 727-9850	North Carolina	(919) 715-3293
Delaware	(302) 739-4735	North Dakota	(701) 328-5188
Florida	(904) 488-3385	Ohio	(614) 466-1450
Georgia	(404) 657-6514	Oklahoma	(405) 271-5220
Hawaii	(808) 832-5860	Oregon	(503) 248-5240
Idaho	(208) 332-5544	Pennsylvania	(717) 782-2884
Illinois	(800) 545-2200	Rhode Island	(401) 277-3424
Indiana	(317) 382-6662	South Carolina	(803) 935-7945
Iowa	(800) 972-2026	South Dakota	(605) 773-3153
Kansas	(913) 296-0189	Tennessee	(615) 741-5683
Kentucky	(502) 564-2154	Texas	(512) 834-6600
Louisiana	(504) 765-0219	Utah	(801) 536-4000
Massachusetts	(800) 532-9571	Vermont	(802) 863-7231
Maryland	(410) 631-3859	Virginia	(800) 523-4019
Maine	(207) 287-4311	Washington	(206) 753-2556
Michigan	(517) 335-8885	West Virginia	(304) 558-2981
Minnesota	(612) 627-5490	Wisconsin	(608) 266-5885
Mississippi	(601) 960-7463	Wyoming	(307) 777-7391

EPA Regional Offices

Your Regional EPA office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)
John F. Kennedy Federal Building
One Congress Street
Boston, MA 02203
(617) 565-3420

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)
Building 5
2890 Woodbridge Avenue
Edison, NJ 08837-3679
(908) 321-6671

Region 3 (Delaware, Washington DC, Maryland, Pennsylvania, Virginia, West Virginia)
841 Chestnut Building
Philadelphia, PA 19107
(215) 597-9800

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)
345 Courtland Street, NE
Atlanta, GA 30365
(404) 347-4727

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)
77 West Jackson Boulevard
Chicago, IL 60604-3590
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)
First Interstate Bank Tower
1445 Ross Avenue, 12th Floor, Suite 1200
Dallas, TX 75202-2733
(214) 665-7244

Region 7 (Iowa, Kansas, Missouri, Nebraska)
726 Minnesota Avenue
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)
999 18th Street, Suite 500
Denver, CO 80202-2405
(303) 293-1603

Region 9 (Arizona, California, Hawaii, Nevada)
75 Hawthorne Street
San Francisco, CA 94105
(415) 744-1124

Region 10 (Idaho, Oregon, Washington, Alaska)
1200 Sixth Avenue
Seattle, WA 98101
(206) 553-1200

CPSC Regional Offices

Eastern Regional Center
6 World Trade Center
Vesey Street, Room 350
New York, NY 10048
(212) 466-1612

Central Regional Center
230 South Dearborn Street
Room 2944
Chicago, IL 60604-1601
(312) 353-8260

Western Regional Center
600 Harrison Street, Room 245
San Francisco, CA 94107
(415) 744-2966

Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- Get your young children tested for lead, even if they seem healthy.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods.
- Get your home checked for lead hazards.
- Regularly clean floors, window sills, and other surfaces.
- Wipe soil off shoes before entering house.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- Don't use a belt-sander, propane torch, dry scraper, or dry sandpaper on painted surfaces that may contain lead.
- Don't try to remove lead-based paint yourself.

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (initial)

_____ (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):

[ ] Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

_____

_____

[ ] Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

_____ (b) Records and reports available to the seller (check one below):

[ ] Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

_____

_____

[ ] Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

_____ (c) Purchaser has received copies of all information listed above.

_____ (d) Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home.*

_____ (e) Purchaser has (check one below):

[ ] Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

[ ] Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

_____ (f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

Seller	Date	Seller	Date
Agent	Date	Agent	Date
Purchaser	Date	Purchaser	Date

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EXHIBIT J

SECTION 339-kk OF THE REAL PROPERTY LAW

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Section 339-kk.

Rents. (a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit. (b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental 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.