THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT BY REASON OF CONVERSION TO CONDOMINIUM OWN

CONDOMINIUM OFFERING PLAN

30 EAST 37TH STREET CONDOMIN

30 EAST 37TH STREET

NEW YORK, NEW YORK

	Price to Tenan Purchasers
Total Purchase Price (100 Residential Units)**	$ 52,669,20
Commercial Units (4) (Not Offered)	$ 0.0
Less Working Capital Fund	$ 5,00
Less Reserve Fund***	$ 1,580,076
Total Amount of Offering	$ 51,084,13

* See the Section entitled "Rights of Existing Tenants" for a discussion regarding the right the Units in which they reside during the first 90 days of this offering.

** Resident Manager's Unit is Not Offered.

*** Estimated Local Law 70 Reserve Fund under without a deduction for credit allowed to S presently be determined. See Section entitled "Working Capital Fund, Apportionments and R

SPONSOR:

HAMPTON ASSOCIATES LLC
60 EAST 42ND STREET
SUITE 2015
NEW YORK, NEW YORK 10165

SELLING AG

METROBROKE
60 EAST 42ND S
SUITE 201
NEW YORK, NEW Y

Acceptance date of this Plan is March 9, 2006.
This Plan may not be used after March 8, 2007 unless extended by an amendment hereto.

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER BE IN CONTR MANAGERS UNDER THE TERMS OF THIS PLAN.

SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RAT ACCORDINGLY, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CO

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SPECIAL RISKS

1. **As Is Condition.** The Property and the Units are being offered by the Sponsor in "AS IS" condition as of the Presentation Date of this Plan. Sponsor will maintain the Property until the First Unit Closing in substantially the same condition and manner as on the Presentation Date, excluding reasonable wear and tear. (See the Section entitled "Rights and Obligations of the Sponsor" for further discussion.)

Although a landlord is required under various laws, statutes, codes and ordinances to cure violations of record, a sponsor is not obligated solely as a result of the presentation of a plan to cure any dangerous or hazardous conditions or violations of any kind. Notwithstanding the foregoing, Sponsor will obligate itself to perform the work necessary or appropriate to cure any violations which are dated (and, hence, placed on record) on or before the date this Plan is accepted for filing except for those caused by the acts or omissions of tenants within their apartments. Thereafter, the Condominium will be obligated to cure any hazardous or dangerous conditions, if any, and any violations which become of record after the date this Plan is accepted filing, although said obligation and the cost thereof with respect to conditions inside apartments may, in some cases, be passed along to the owners of those apartments. In the event sufficient funds are not available (from the Reserve Fund, Working Capital Fund, money budgeted for repairs and maintenance, or otherwise) to cover the cost of curing violations and/or hazardous or dangerous conditions, if any, for which the Condominium is responsible, it may be necessary to increase common charges (in the form of special assessments or otherwise). If violations and/or hazardous conditions, if any, are not cured, the Condominium may be subject to fines and penalties and in breach of insurance policies thereby risking loss of coverage.

2. **Sponsor-owned Residential Units.** Sponsor represents that it will endeavor in good faith to sell, rather than rent, at least 51 percent of the Residential Units as they become vacant to Purchasers who represent that they are purchasing for their personal occupancy. If Sponsor makes a bulk sale of some or all of its Residential Units, the transferee will be bound by and will assume Sponsor's foregoing obligation subject to the provisions hereof.

Sponsor does not represent that it will endeavor to sell, rather than rent, the remaining 49 percent of the Residential Units. The Residential Units reserved by Sponsor may remain unsold indefinitely, and Sponsor may dispose of such Residential Units as it chooses.

Sponsor represents that it will decline to rent Residential Units (other than to tenants-in-occupancy on the date the Plan was accepted for filing or to Purchasers pursuant to Interim Use and Occupancy Agreements) until it has sold at least 51 percent of the Residential Units to Purchasers who represent that they are purchasing for personal occupancy. Notwithstanding the foregoing representation by Sponsor, Sponsor hereby reserves the right to rent rather than sell such Residential Units if, in the reasonable opinion of Sponsor, a decline in the real estate market causes

the unsold Residential Units to decline twenty (20%) percent or more from the Offering Prices set forth in the Purchase Agreements counted towards the declaration of effectiveness for this Plan.

Subject to the restrictions set forth above:

i. Sponsor has reserved the right to rent or lease any vacant Unsold Unit to any other party. Therefore, residents of the condominium may be comprised of both Unit Owners and tenants leasing from either Sponsor or other Unit Owners, except as otherwise expressly provided in their respective leases. Individuals leasing Unsold Units from Sponsor will not have any special rights to purchase such Units. Individuals who rent vacant Unsold Units from Sponsor are not Existing Tenants under the Plan and shall have no rights to purchase hereunder.

ii. It is noted that although 100 Residential Units are being offered pursuant to this Offering Plan, Sponsor is hereby reserving the right to withhold certain Residential Units from sale. If this occurs, an amendment to the Plan will be filed setting forth the Residential Units being withheld. If Sponsor leases certain Residential Units to tenants and such Residential Units subsequently are offered, Sponsor shall then amend the Plan accordingly.

3. **Owner-Occupant Unit Owners May Never Gain Control of the Board of Managers.** There is no provision in the Condominium By-laws to the effect that, following the end of Sponsor's initial control period of the Board of Managers, a majority of members of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and Sponsor's principals. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. See page 103. Unit Owners who are owner-occupants and Unit Owners who are non-residents (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their differing reasons for investment in the Units (*i.e.*, the purchase of a Residential Unit as a home as opposed to the purchase of a Unit as an investment whereby the owner thereof would seek to minimize the carrying costs of the Unit so as to maximize his or her profit). See Section entitled "Rights and Obligations of the Condominium Board/Summary of the By-Laws".

4. **Reserve Fund.** Local Law 70, a law enacted by the New York City Council provides a formula for determining the amount of the Reserve Fund. The exact amount of the Reserve Fund cannot be ascertained until the Plan has been declared effective. Sponsor reserves the right to take a credit against the Reserve Fund for qualifying work performed in the Building. Sponsor intends to perform certain work on the facade of the Building. The anticipated cost of such work is approximately $250,000. Sponsor intends to commence such work in the spring, 2006 and anticipates that it will take approximately six months to complete such work. Sponsor intends to reduce its contribution to the Reserve Fund by the cost of the work. In addition, Sponsor will install a new roof on the Building. Such new roof is anticipated to cost approximately $80,000. The roof will be installed following the completion of the facade work. Sponsor also reserves the right to

fund the minimum amount of the Reserve Fund within 30 days of the First Unit Closing and to fund the balance over five years as permitted by applicable law. See the Section of this Plan entitled "Working Capital Fund, Apportionments and Reserve Fund" which may be found in Part I of this Plan and the Reserve Fund Law (Local Law 70) which may be found in Part II of this Plan for further details.

5. **Reserve for Contingencies.** The reserve for contingencies provided for in Schedule B (the projected budget for the first year of Condominium operation) is separate and distinct from the Reserve Fund. The reserve for contingencies is intended to provide a fund for unanticipated expenses and for increases in the operating expenses above amounts projected. The reserve for contingencies is not intended and would not be sufficient to meet the cost of any major or capital repairs or replacements which may be required. If funds are required to meet such costs, it may be necessary to utilize the Working Capital or Reserve Funds, increase Common Charges, institute a special assessment or obtain a capital improvement loan, if the Condominium is eligible to obtain such a loan. See the footnotes to Schedule B in Part I of this Plan.

6. **Time is of the Essence.** At the time a Purchase Agreement is executed, a Purchaser is required to make a Contract Deposit in an amount equal to ten (10%) percent of the purchase price. The Purchase Agreement provides that "time is of the essence" with regard to the obligations of the Purchaser thereunder. "Time of the essence" means that Purchaser will be required to perform its obligations under the Purchase Agreement on or before the date set forth in Sponsor's notice setting the Closing. If the Purchaser fails to close on or before such date and does not cure such default within 30 days after Sponsor gives notice to the Purchaser of such default, Sponsor may, at its option, either (i) cancel such Purchase Agreement and retain, as liquidated damages, the Contract Deposit made by the Purchaser, together with interest earned thereon, if any, or (ii) bring an action against such Purchaser for specific performance, in which event Purchaser may be compelled to complete the transaction. See the Section entitled "Procedure to Purchase" for further discussion.

In addition, if a Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date and Sponsor elects not to cancel Purchaser's Purchase Agreement as a result of the same, (a) the apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date, and (b) Purchaser will be required to pay to Sponsor an amount equal to 0.05 percent of the purchase price of his Unit for each day that the Closing is adjourned. (See the Section entitled "Procedure to Purchase" for further Discussion.)

The execution of the Purchase Agreement signifies the Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including the Building and the Unit contained therein, in the condition existing on the date the Purchase Agreement is executed, ordinary wear and tear excepted between the date Purchaser signs the Purchase Agreement and the delivery of the deed to the Purchaser. Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building or the Unit, except as may otherwise be set forth in the Plan.

7. **No Financing Contingency.** The Purchase Agreement in the form set forth as Exhibit A in Part II of the Plan may not be contingent upon Purchaser obtaining financing nor does this Plan contain any provision requiring 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 Sponsor to retain such Purchaser's Contract Deposit and all accrued interest thereon. Sponsor does not make any representation as to the terms or availability of mortgage financing. See the Section entitled "Procedure to Purchase" and the Purchase Agreement set forth in Part II for further information.

8. **Minimum Sales Required.** Pursuant to existing law and regulation, Sponsor may declare the Plan effective by selling a minimum of fifteen (15%) of the Residential Units offered herein. Even if the Plan is declared effective based upon the sale of fifteen (15%) percent of the Units, it is still possible that Sponsor may convert the Building with fewer than the minimum number of Units if Purchasers counted toward effectiveness do not ultimately purchase their Unit. Purchasers should note that banks and other lenders may impose various restrictions in connection with loans secured by condominium apartments. Such restrictions may include a requirement that a certain percentage of the apartments in a building be sold before the lender will consider making a loan. The minimum number of sold Units may be greater than fifteen (15%) percent, for purposes of obtaining a loan. Accordingly, if the Plan is declared effective based upon the sale of fifteen percent of the Units, certain lenders may decline to make mortgage loans until additional Units are sold. Purchasers should also note that lenders may still impose minimum sales requirements before approving a loan well after the First Unit Closing. It may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements. (See Section entitled "Effective Date" for further details.) Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed and the commitment may expire before the closing date. In the event that Purchaser's mortgage commitment lapses or expires prior to the closing and Purchaser has made a good faith effort to extend the commitment, Sponsor shall grant Purchaser an adjournment of the closing of no more than 30 days without penalty.

9. **No Assurance of Performance of Sponsor Obligations.** The assets and borrowing capacity of Sponsor are sufficient to meet the obligations of Sponsor hereunder. Such obligations include the payment of Common Charges and real estate taxes on account of the Unsold Units, the payment of the costs of conversion including the funding of the Reserve Fund as required herein. No bond or other form of security has been posted by Sponsor to guarantee its performance of the obligations of Sponsor hereunder, and therefore, there is no assurance of the performance of Sponsor's obligations hereunder. (See Section entitled "Rights and Obligations of Sponsor" for further details.)

10. **Control of Condominium Board.** Sponsor will control the Condominium Board until the earlier of: (i) the Closing of title with purchasers under the Plan to Units having more than 75 percent of the aggregate Common Interests appertaining to all Units, or (ii) five years after the First Closing to the "Initial Control Period").

After the Initial Control Period, Sponsor, as owner of Unsold Units, shall have the right to designate one member of the Condominium Board for so long as Sponsor owns at least one Unsold Residential Unit.

During the period that Sponsor controls the Condominium Board, Sponsor will have control of maintenance and services to be provided to Unit Owners and will determine the Common Charges to be paid by all Unit Owners. Sponsor may exercise veto power over expenses for a period ending not more than five years after the first Closing or whenever the Unsold Units constitute less than 25 percent of the common interest. See the Section entitled "Control by Sponsor" for further details.

11. **Sponsor's Veto Powers.** Until such time when Sponsor owns Units with an aggregate interest of less than 25 percent of the Common Elements of the Condominium, but in no event later than five years after the First Closing, Sponsor may veto some actions of the Condominium Board. During the aforementioned period, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements unless the same comply with applicable laws or regulations, or (b) assess any Common Charges or Special Assessments for the creation of, addition to, or replacement of, all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees initially employed for the Condominium, or (d) enter into any service or maintenance contract for work or otherwise provide services in excess of those initially contracted for the Condominium, except as is required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board to comply with applicable laws or regulations, remedy any notice of violation or remedy any work order of the Condominium's insurer. (See the Section entitled "Control By Sponsor" for further details.)

12. **Unit Purchasers to Pay Transfer Taxes and Sponsor's Attorneys' Fees .** Purchasers shall be obligated to pay the New York City Real Property Transfer Tax and New York State Real Property Transfer Tax (Deed Stamps) which by law are the primarily obligation of the seller. The New York City Real Property Transfer Tax (the "City Transfer Tax") is payable at the rate of 1.0 percent for Units where the purchase price is less than $500,000 and 1.425 percent of the aggregate purchase price in instances where the purchase price is greater than $500,000. The New York State Real Estate Transfer Tax (the "State Transfer Tax") is payable at the rate of 0.4 percent regardless of the amount of the purchase price. However, in instances where the transfer taxes which are the statutory liability of a seller are paid by a purchaser, the City and State add the amount of such taxes to the purchase price for purposes of determining the taxes payable. Accordingly, in instances where the purchase price is less than $500,000, the effective rate of the City Transfer Tax is 1.014 percent; where the purchase price is greater than $500,000, the effective rate of the City Transfer Tax is 1.451 percent. As of the date hereof, the effective rate of the State Transfer Tax will be 0.406 percent for all transactions contemplated herein. In addition, Purchaser shall be responsible

would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor, nor its successors, nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its successors, the Managing Agent or their respective agents. See the Section entitled "Introduction".

20. **No Limit on Number of Purchasers who Purchase for Investment Rather than Occupancy.** There is no limit on the number of Unit Owners who may purchase for investment rather than personal occupancy; consequently, there always may be a substantial percentage of Unit Owners who are non-residents.

21. **No Repairs Undertaken by Sponsor.** Sponsor has not undertaken to correct or repair any existing conditions noted in this Plan, unless otherwise expressly provided. Any price estimates contained in this Plan are approximate and are good faith projections based solely on the experience of Sponsor's Architect, not based on any specifications or documentation of the work. The estimates are not derived from bids by contractors or vendors. Actual costs may substantially vary from the cost estimates stated herein. Please refer to the Section entitled "Description of Property and Statement of Condition" in Part II of the Plan for further details.

22. **Cost of Repairs to Common Elements Borne by Unit Owners.** Purchasers are advised that the cost of necessary repairs to the Common Elements will be borne by the Condominium and, to the extent that the cost of such repairs exceeds any amount of the reserve fund which the Condominium Board wishes to expend, such repairs may result in an assessment to Unit Owners or an increase in Common Charges. Please refer to the Section entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws".

23. **Cost of Certain Repairs and Replacements Borne by Individual Unit Owners.** Purchasers are advised that necessary repairs and replacements to each Residential Unit's windows, doors and skylights, if any, and to the decking of any terrace appurtenant to any Residential Unit, are to be performed at such Residential Unit Owner's sole cost and expense. All such repairs and/or replacements shall conform to standards established by the Board of Managers. Please refer to the Section entitled "Rights and Obligations of Unit Owners".

24. **Prices for Residential Units.** All the Residential Units being offered are intended to be sold as Condominium Units in accordance with this Plan at the prices noted in Schedule A. These prices have been established solely by Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency. Please refer to Schedule A in Part I of this Plan.

25. **Resident Manager's Unit.** Sponsor will retain title to Unit 4F for a period of no less than ten years subsequent to the First Unit Closing. As of the First Unit Closing, Sponsor will enter into a lease with the Board of Managers of the Condominium for a ten-year term (the "Resident

Manager's Lease"). The base rent for the initial year of the lease term for Unit 4F, which is a studio apartment, shall be $1,250 per month. Thereafter, the base rent under the Resident Manager's Lease shall increase by three (3%) per cent per annum. In addition, after the first lease year, the Condominium will be liable to pay Sponsor, as additional rent, any increase in the Common Charges or real estate taxes for the Unit over the costs for those items during the first year of operation of the Condominium. The costs of repairs undertaken by the Board of Managers in the Resident Manager's Unit shall be borne by all Unit Owners as a general common expense included in the Common Charges.

Sponsor has no obligation to renew the Resident Manager's Lease at the conclusion of the ten-year term. Upon the expiration of the Residential Manager's Lease, it will then be the responsibility of the Board of Managers of the Condominium to lease or purchase another apartment for use by the Resident Manager.

Sponsor has further agreed that in the event that during the term of the Resident Manager's Lease, a one-bedroom A-Line or K-Line Unit located below the ninth floor that has not be previously combined with an adjacent Unit becomes available, the Condominium Board may, at its sole option, elect to terminate the Resident Manager's Lease for Unit 4F and enter into a new lease for such available Unit (a "Substitute Unit"). The new lease for the Substitute Unit shall be for the then remaining term of the Resident Manager's Lease, except that the base rent for initial year of the term will be equal to $1,750 per month reflecting the value of the larger apartment and provided further that the base rent shall be determined as if the lease for the Substitute Unit commenced as of the date of the first closing and shall take into account the three percent annual increase for each subsequent year of condominium operation. The lease for the Substitute Unit shall also an increase of three (3%) percent per annum with respect to all years of such lease term. In addition, for the purpose of establishing a base year for the real estate tax and common charge calculation, the first year of condominium operation shall be used. For purposes of the budget for the first year of condominium operation set forth in Schedule B, the projected cost of the Resident Manager's Lease assumes that the Board has exercised its option to enter into a lease for a Substitute Unit and accordingly reflects the rent that would be payable with respect to the larger apartment.

Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Residential Unit 4F or a Substitute Unit located in a line other than the A-Line or the K-Line to lease to the Board as the Resident Manager's apartment; provided, however, that such substitution shall only be made pursuant to an amendment to the Plan and shall not result in the Board incurring costs during the first year of Condominium Operation, which exceed the cost of leasing an A-Line or a K-Line Unit as set forth in Schedule B by more than 25 percent. Please refer to the Section entitled "Management Agreement, Resident Manager's Lease and Other Contractual Arrangements" for further information.

26. **Lot Line Windows.** The following Units have windows located on a lot line along the easterly facade of the Building: 4H, 5H, 5J, 6H, 6J, 7H, 7J, 8H, 8J, 9H, 9J, 10H, and 10J. Units denominated as Professional Office 1, M6, 2C, 3B, 4B, 4C, 5B, 5C, 6B, 6C, 7B, 7C, 8B, 8C, 9B, 9C, 10B, and 10C have windows located on the lot line along the westerly side of the Building. The

current Building Code of the City of New York (the "Building Code") does not permit the use of lot-line windows to satisfy the light and air requirements of a Unit. These Units contain other windows which satisfy the light and air requirements under the Building Code for the City of New York. In the event that a building is constructed on the parcel adjacent to the lot line windows, the Board of Managers of the Condominium will be responsible to close the openings in the facade with construction in compliance with the Building Code and all other applicable laws, ordinances, codes, rules and regulations of governmental or other authorities having jurisdiction. The Condominium shall also insulate and seal the openings inside any affected Units with sheet rock. The present cost of sealing a lot-line window is estimated to be approximately $2,000 per window which includes the framing, masonry and the installation of sheet rock in the interior of the Unit. Inasmuch as it is the responsibility of the Board of Managers to maintain the facade of the Building as a Common Element, the cost of sealing lot line windows will be borne by the Board of Managers as a Condominium Expense. The foregoing estimate does not include the cost of finishing the interior of the Units following the installation of the sheet rock to the surface of the inner wall which will be the responsibility of any affected Unit Owners. Please see the Section entitled "Description of Property and Improvements".

27. **Asbestos.** Dalton Environmental, Ltd. having offices at First Street, P.O. Box 222, New Suffolk, New York 11956, prepared an Asbestos Report with respect to the Premises dated October 8, 2004 (the "Asbestos Report"). A copy of the Asbestos Report may be found in Part II of this Plan. Such Asbestos Report and both Asbestos Re-Inspection Addenda disclosed that asbestos-containing material ("ACM") was observed in the basement utility rooms and common areas, but no ACM was observed in any of the Units accessed. However, due to the age and construction of the Building, it is possible that ACM may be present on pipe runs behind walls or in other presently sealed structures. Dalton Environmental, Ltd. recommends, as a general rule, caution and further investigation prior to any destructive repair or renovation. Please see the Asbestos Report which appears as Exhibit E in Part II of this Plan.

Notwithstanding the foregoing, and any ACP-5 or ACP-7 reports that may have been filed with the New York City Building Department for any possible Sponsor work, Sponsor makes no representation that any Units or common areas are free of asbestos or asbestos-containing materials. It will be the obligation of the Condominium Board to formulate an Operations and Maintenance (O&M) Program for dealing with ACM, if necessary. Sponsor's obligations under this Plan do not include an obligation to remove any asbestos identified in the Asbestos Report and Sponsor does not intend to perform any such remedial work. See the Description of Property and the Asbestos Report included in Part II of this Plan.

28. **Lead-Based Paint.** Due to age and construction of the Building, it is possible that lead-based paint may be present in a variety of areas throughout the Building. Pursuant to various federal, state or local laws mandating the disclosure of information concerning the presence of lead-based paint in residential housing, Sponsor will distribute to each Purchaser a copy of the EPA pamphlet "Protect Your Family from Lead in Your Home" detailing important lead-based paint information. A copy of such pamphlet appears in Part II of the Plan. Under subdivision (6) of Section 23.3(kk), the regulation requires disclosing the existence of applicable federal, state or local

laws concerning lead-based paint (see regulatory advice below). Under subdivision (dd) of Section 23.7 of Title 13 NYCRR, a sponsor must disclose any records, reports, violations and any other information known or available to the sponsor or its agents, if any, concerning the presence of lead-based paint and/or lead-based paint hazards. Therefore, Sponsor will make all documents concerning the presence of lead-based paint which it has in its possession, if any, available for inspection at its office during regular business hours by appointment. Finally, Sponsor will comply with all laws and applicable regulations concerning lead-based paint in connection with sales of Units pursuant to the requirements of the New York State Attorney General in Part 23 of Title 13 NYCRR.

All prospective purchasers are hereby advised that, pursuant to regulations promulgated by the U.S. Department of Housing and Urban Development (24 CFR Part 35) and the Environmental Protection Agency (40 CFR Part 745) in accordance with Section 1018 of the Residential Lead Paint Hazard Reduction Act of 1992, each Purchaser has the right to make his obligations under his Purchase Agreement contingent on a ten-day period to perform a risk assessment or inspection in the Unit and the Premises for lead-based paint and/or lead-based paint hazards ("Risk Assessment").

In addition to the above-described Federal law, for all buildings erected prior to January 1, 1960, Local Law 1 of 2004 of the City of New York requires an annual lead paint inspection to be performed in each residential unit where a child under the age of seven is known to reside, and further requires a lead paint inspection to be performed in a residential unit upon its vacancy. If a lead paint hazard (*i.e.*, chipping or peeling lead paint or deteriorating sub-surfaces) is discovered upon any such inspection, then the hazard must be removed in compliance with law (*i.e.*, proper removal of paint chips and peeled paint, and painting over any exposed area) which work, in the case of a vacancy, must be performed prior to any new occupancy of the unit. Records of all such inspections and remedial actions must also be kept.

The provisions of Local Law 1 currently do not apply to condominium unit owners who occupy their Unit. However, the obligations of Local Law 1 will apply to Condominium Unit Owners who lease their Units. Accordingly, each Unit Owner of the 30 East 37th Street Condominium who leases his or her unit will be responsible for complying the above-described obligations under Local Law 1 of 2004.

Each Purchaser will be required to acknowledge that, pursuant to the Condominium's By-Laws, the Unit Owner (*e.g.* Purchaser) will responsible for compliance with laws and regulations regarding lead paint hazards in the event that they choose to lease their Unit.

Sponsor's obligations under this Plan do not include an obligation to remove lead-based paint, if any, and Sponsor does not intend to perform any such remedial work if the same is required. See section entitled "Rights of Existing Tenants".

29. **Commercial Units.** The Condominium will be a "mixed use" condominium by virtue of it containing Residential Units, Professional Units, a Cellar Unit and the Roof Top Unit in the same building. Sponsor makes no representation as to the compatibility of uses in the same building. The Commercial Units may be used for any lawful purpose permitted under the New York

City Zoning Law except as set forth herein. See the Section entitled "Commercial Units" for further information.

30. **Limited Warranty.** The Housing Merchant Implied Warranty set forth in Section 777 of the New York General Business Law does not apply to this offering. See Section entitled "Rights and Obligations of Sponsor" for further information.

31. **Square Footage of Units.** Each Unit consists of the area measured horizontally from the exterior faces of exterior walls and from the center lines of walls separating one unit from another unit or Common Elements as indicated in the Condominium plans and from lot line at party walls separating one building from another and measured vertically from the top of the sub-floor to the underside of the floor construction above except that a Residential Unit shall not include the Common Elements contained therein. Sponsor has not done any work to modify the configuration of the Units which would affect the square footage thereof which is not reflected on Schedule A herein. In any case, the Units are sold in the"AS IS" condition as of the date of the Plan subject only to performance of work agreed to in writing upon the execution of a Purchase Agreement or as otherwise specifically disclosed in the Plan. The method of calculating the square footage of the units does not accurately represent the interior space in the Unit and may exaggerate the square footage of the Units by as much as ten (10%) percent. See Schedule A and the footnotes thereto for further information.

32. **Laundry Concession Income.** The budget presented in Schedule B contemplates the receipt by the Condominium of income in the amount of $11,000 on account of a concession to Hercules Corp. for the laundry room. In the event that such concession agreement is terminated, the Condominium may need to increase Common Charges to compensate for the lost income. See Schedule B and the footnotes thereto for further information.

33. **Insurance.** The By-laws of the Declaration require that Unit Owners (other than the Sponsor or other Holder of Unsold Units) obtain insurance for the improvements within their Units in an amount of no less than $50,000 and liability insurance of no less than $1,000,000 with respect to occurrences in or about their respective Units. The By-Laws of the Condominium further provide that the Condominium Board may increase the amount of insurance coverage to be maintained by Units Owners as warranted by then prevailing market conditions. See the Sections entitled "Rights and Obligations of Unit Owners" and "Summary of Condominium By-Laws".

34. **Compliance with Americans with Disability Act.** The Building does not comply with the requirements of the Americans with Disability Act ("ADA") which was enacted in 1990. However, inasmuch as the Building was constructed in 1951, the Building is "grandfathered" under applicable law and is not required to comply with the ADA. See the Section entitled "Sponsor's Statement of Building Condition".

INTRODUCTION

Nature of the Transaction.

Hampton Associates, LLC (referred to herein as "Sponsor"), hereby presents this offering plan (the "Plan") for the establishment of condominium ownership of the land (the "Land") together with the building erected thereon known as and having a street address of 30 East 37th Street, New York, New York (the "Building") (the "Land", the "Building", and the appurtenances thereto are being referred to herein as the "Property ") pursuant to the terms of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"). Hampton Associates LLC maintains an address in care of Goldfein Properties Co., 60 East 42nd Street, Suite 2015, New York, New York 10165. Sponsor acquired title to the Property on December 30, 1986 from a related entity. The Condominium will be known as the "30 East 37th Street Condominium" and is being referred to herein as the "Condominium."

The Property is presently encumbered by a first mortgage made by Jamaica Savings Bank, FSB and now held by Sterling National Bank, 521 Seventh Avenue, New York, New York 10018 in the original principal amount of $615,000. The mortgage provides for the payment of interest only. Accordingly, the original principal balance in the amount of $615,000 will remain due and owing on the date of the First Unit Closing. The mortgage permits prepayment of the principal balance upon 30 days written notice to the mortgagee. The Sponsor intends to satisfy the mortgage at or prior to the First Unit Closing.

The Condominium Offering Plan.

The purpose of the Plan is to set forth in detail all material facts and terms relating to the offering by Sponsor of the Units in the Condominium. The Plan contains all of the detailed terms of the transaction. Sponsor may from time to time amend the Plan by filing an amendment with the New York State Department of Law (the "Department of Law") and serving such amendment on Purchasers and Unit Owners. All filed amendments will be served on (i) Purchasers who have executed and delivered Purchase Agreements to Sponsor, (ii) Unit Owners and (iii) any other offeree who is required by law to receive such amendment. Service shall be either personal delivery, ordinary mail or registered mail. Service by personal delivery is deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of mailing.

The Condominium will be organized pursuant to Article 9B of the Real Property Law of the State of New York, as amended, commonly known as the New York Condominium Act.

The Condominium will contain 101 Residential Units, two Professional Units with street front entrances, one Cellar Unit and one Roof-Top Unit. The Professional Units, the Cellar Unit and the Roof-Top Unit are sometimes collectively referred to as the "Commercial Units". The designated Resident Manager's apartment (which is Unit 4F) is not offered for sale. Instead, Sponsor

will lease such Unit to the Board of Managers of the Condominium. Sponsor is offering 100 Residential Units for sale hereunder. The Commercial Units are not being offered for sale herein.

The Plan is presented in two parts, which together constitute the entire Plan. Part I sets forth a general description of the Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise implement the provisions of the Plan. Also included in Part II is a detailed Description of the Property, an Asbestos Report, Certifications of Sponsor and certain experts. Copies of the Plan, including all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection by prospective purchasers and their attorneys without charge and for copying at a reasonable charge at the office of Sponsor. Copies of the Plan will be served on all Existing Tenants. All of these documents are important and should be carefully read by prospective purchasers. Prospective purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase a Unit. The Plan may be borrowed by prospective Purchasers who are not Existing Tenants upon payment of a $100.00 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition, ordinary wear and tear excepted, or (ii) the execution by the prospective purchaser of a Purchase Agreement subsequently accepted by Sponsor. Copies of amendments to the Plan will be served on Existing Tenants and to Purchasers who execute Purchase Agreements. All capitalized terms used in the Plan shall have the meanings ascribed thereto in the Section entitled "Definitions," unless otherwise indicated.

Offering of Units for Sale.

The prices for each of the Units offered under the Plan are listed in the Section entitled Schedule A - Offering Prices and Related Information. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Sponsor reserves the right to offer the Units in such order of priority as it may determine, and to withhold one or more Units at Sponsor's sole discretion. In addition, Sponsor has the right to limit the number of Units sold to any Purchaser and to make bulk sales of Units.

Features of Condominium Ownership.

The ownership of a Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to his Unit and is entitled to the exclusive possession thereof. He also owns, in common with the owners of all other Units, an undivided interest in (and right to use) the Common Elements.

Primary responsibility for operating the Condominium rests with the Board of Managers who are elected by the Unit Owners. See the Section entitled, "Rights and Obligations of Condominium Board." Each Unit Owner, however, will be solely responsible for the cost of maintenance and interior repairs of his Unit, and for maintaining casualty insurance with respect to the personal property and improvements within his Unit and liability insurance with respect to occurrences in or

about his Unit. A Unit Owner is required to pay monthly common charges, in accordance with Sections 339(i) and (m) of the Condominium Act, which common charges are assessed by the Board of Managers for the operation and maintenance of the Condominium. Fire and liability insurance covering the Common Elements is included with other items as part of the common charges (see "Schedule B - Projected Budget for First Year of Condominium Operation" for more details). **HOWEVER, UNIT OWNERS WILL BE RESPONSIBLE FOR CARRYING FIRE AND LIABILITY INSURANCE FOR THE PURCHASER'S PERSONAL EFFECTS AND THE INTERIOR IMPROVEMENTS TO THE UNIT. THE CONDOMINIUM BY-LAWS REQUIRE UNIT OWNERS TO CARRY SUCH INSURANCE.** A summary of the By-Laws which shall govern the operation of the Condominium will be found in the section entitled "Rights and Obligations of Board of Managers; Summary of By-Laws." A complete set of the By-Laws are in Part II of this Plan.

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

A Unit Owner may decorate the interior of his Unit in any way he desires, subject to compliance with the By-Laws, the Rules and Regulations and applicable laws, and will be solely responsible for the cost of maintenance and interior repairs to his Unit after Closing.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and a Unit Owner will not be responsible for the payment of, nor will his Unit be subjected to any lien arising from the non-payment of real estate taxes assessed against other Units. In the opinion of counsel to Sponsor, which opinion is set forth herein, a Unit Owner who itemizes deductions may be eligible, under present law, to deduct from his income for income tax purposes, his real estate taxes and the interest paid on his mortgage, subject to certain exceptions and limitations discussed in the "Attorney's Income Tax Opinion" set forth in the Section entitled, "Opinion of Counsel Regarding Deductibility of Taxes". See also the Section entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium."

With certain exceptions, any sale or lease of a Unit, will be subject to a right by the Condominium Board to acquire or lease such Unit or to produce a third party to acquire or lease such Unit on the same terms as were offered to the owner of such Unit. Sponsor and its successors and the owners of the Commercial Units may sell or lease any Unsold Unit or Commercial Unit, without any restriction or limitation. For a more complete discussion of the foregoing, see the Section entitled "Rights and Obligations of Unit Owners - Sales and Leases of Units."

The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized by Sponsor is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known, and hereinafter referred to as the "Condominium Act."

The Property will be submitted to the provisions of the Condominium Act by recording of the Declaration by Sponsor, in the City Register's Office. From and after the date of recording the Declaration, Sponsor will be the owner of the Units until each is sold or conveyed. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

The cost of operating the Building will be borne entirely by the Unit Owners in proportion to their respective Common Interests. As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Condominium Board determines, the Condominium Board will assess Unit Owners for Common Charges to meet Common Expenses. Typically, Common Charges will increase as cash requirements rise due to inflation and other factors. Such charges will be assessed against lease Unit Owners in proportion to their respective Common Interests in accordance with Sections 339-I and 339-m of the Condominium Act. The estimated Common Charges for each Unit offered hereunder for the first year of condominium operation are set forth in Schedule A.

After the closing of title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the fixtures, equipment, improvements and personal property situated within his Unit, as well as liability insurance with respect to occurrences in or about the Unit. The Condominium By-Laws require all unit owners to maintain the aforesaid insurance The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-Laws. See the Section entitled "Rights and Obligations of Condominium Board/Summary of By-Laws" for a more complete discussion of the foregoing.

In addition, each Purchaser of a Unit will be required to make a contribution to the Working Capital Fund of the Condominium. Such contribution, to be made at the time of Closing of the Unit, shall be in an amount equal to two months' Common Charges in effect at the time of closing for each Unit purchased. (See the Section entitled "Working Capital Fund, Apportionments and Reserve Fund")

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against his Unit, interest and amortization payments on the mortgage, if any which such Purchaser may, at his option, obtain. Also, each Unit Owner will pay for all electricity which he or she utilizes within his or her own Unit for lighting, air conditioning and appliances, the charges for which will be billed directly to the Unit Owner by Con Edison.

There are no limitations on who may purchase Units including those persons who may purchase for investment rather than for personal occupancy. Under the New York Real Property Law, a condominium unit may be owned by an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity which is permitted to take title to real property pursuant to New York law. Notwithstanding the foregoing, Sponsor may, if it chooses, withhold one or more Units for future sale. Non-purchasing tenants who are not in default of their

lease obligations and have a continued right to occupy on the Presentation Date, may not be evicted in the event that they do not purchase their Unit except if they are in default under their lease.

In the event that Sponsor elects to withhold certain Units from sale, Sponsor will amend the Offering Plan to disclose the same. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of any of the Condominium Board, any Unit Owner or mortgagee, to refuse to approve and execute (a) a Purchase Agreement for any Unit, and (b) a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Unit to any one person or entity; provided, however, that, in either event, Sponsor shall not discriminate against any person because of his race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by law. No binding obligation will arise for the sale of a Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor has been exchanged and Sponsor has collected the funds constituting Purchaser's required deposit thereunder (see the Section entitled "Procedure to Purchase" for more details). Sponsor will not accept an offer of purchase from an individual younger than eighteen years of age or who is incompetent under law.

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

DEFINITIONS

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

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

"Building" shall mean the building and improvements including above and below grade segments, known as 30 East 37th Street, New York, New York situated on the Land in which the Units of the Condominium are located.

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

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

"Closing of Title" or "Closing" shall mean the date upon which, among other things, a Unit and its appurtenant Common Interest is conveyed to a Purchaser by the delivery by Sponsor to a Purchaser of a deed upon payment by a Purchaser to Sponsor of the balance of the purchase price for the Unit.

"Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, *pro rata,* in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws or in the First Year's Budget) to meet the Common Expenses.

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

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve, or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); and (iii) generally, the conduct of the affairs of the Condominium.

"Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appurtenant to each Unit, as determined in accordance with the Declaration. The total of all Common Interest percentages appurtenant to all Units equals 100 percent. The Common Interest attributable to each Unit is set forth on Schedule A hereof and on Exhibit B annexed to the Declaration.

"Condominium" shall mean the 30 East 37th Street Condominium which will be established pursuant to the terms of the Declaration and which will be governed pursuant to the By-Laws.

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

"Condominium Board" or "Board of Managers" shall mean the board of managers of the Condominium who will manage the affairs of the Condominium.

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

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

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

"Existing Tenant" - Existing Tenants as used in this Plan shall include: (i) each *bona fide* residential tenant in occupancy of a dwelling unit in the building on the Filing Date of the Plan; (ii) each *bona fide* residential tenant with the right on such date to renew a lease for a dwelling unit in the building; and (iii) each *bona fide* residential tenant who has the right on such date to continued occupancy of a dwelling unit in the building. The following persons (among others) are not Existing Tenants and do not have the rights of Existing Tenants set forth herein: (A) a deceased tenant's estate or beneficiaries or the executor(s) of the estate; (B) an occupant whose tenancy and right to occupy have been terminated (unless it is ultimately determined, as a result of such termination being contested, that such termination was not effective); and (C) an unauthorized occupant or subtenant (*i.e.*, an occupant or subtenant who would not be entitled to a lease if the tenant of record vacates).

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

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

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

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

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

"General Common Elements" shall mean those certain portions of the Property (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in the Declaration.

"Initial Control Period" shall mean the period ending on the earlier of: (i) the closing of title with purchasers under the Plan to Units having at least 75 percent of the aggregate Common Interest appertaining to all Units, or (ii) five years after the First Closing.

"Land" shall mean the land located in Section 2 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 866, Lots 48, 50 and 51 and more particularly described on Exhibit A to the Declaration.

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

"Managing Agent" shall mean the managing agent or manager of the Building at the time in question.

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

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

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

"Purchase Agreement" shall mean the agreement to purchase a Unit pursuant to the Plan.

"Purchaser" shall mean a purchaser of a Unit under a Purchase Agreement.

"Register's Offices" shall mean the New York County Office of the Register of The City of New York.

"Rent Laws" - When used anywhere in this Plan shall mean the Rent Stabilization Law of 1969, as amended; the Emergency Tenant Protection Act of 1974, as amended; the Amended Code of the Rent Stabilization Association of New York City, Inc.; the New York City Rent and Rehabilitation Law, as amended; the Rent Regulation Reform Act of 1997; the codes, rules, regulations and determinations of the New York State Division of Housing and Community Renewal ("DHCR"); Section 352-eeee of the New York State General Business Law; the Omnibus Housing Act of 1983; the New York State Real Property Law; the New York State Real Property Actions and Proceedings Law; and all codes, rules and regulations promulgated under any of the foregoing

statutes and all administrative and/or judicial determinations and/or interpretations of or under any of the statutes set forth above.

"Rules and Regulations" shall mean the rules and regulations made in accordance with the By-Laws.

"Schedule A" shall mean the section of the Plan entitled Schedule A - Offering Prices and Related Information."

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

"Sponsor" shall mean Hampton Associates LLC, the present fee owner of the Property, and any of its designees, successors, assigns or affiliates.

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

"Unit Owner" shall mean any owner of a Unit. All such owners of Units are, collectively, referred to as "Unit Owners."

"Unsold Unit" shall mean those Units not sold to a Purchaser under this offering plan, including any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its successor-in-interest at the time in question, or a Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor or one or more principals of Sponsor is a member.

OFFERING UNITS FOR SALE

Sponsor hereby offers 100 Residential Units in the Building for sale under this Plan. The purchase prices each of the Residential Units and the estimated Common Charges and estimated Sponsor real estate taxes for each of the Units are listed in the Section of this Plan entitled "Schedule A"). **THE PRICES CONTAINED IN THIS PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR OTHER GOVERNMENTAL AGENCY.**

Residential Unit 4F is not being offered for sale under this Plan but instead is being leased to the Board of Managers of the Condominium for use by the Resident Manager. See "Footnotes to Schedule B" and the Section entitled "Management Agreement, Resident Manager's Lease and Other Contractual Agreements" for further information.

Professional Unit 1 is presently subject to a lease and is occupied by a physician. Professional Unit 2 is presently vacant and is being marketed for lease by the Sponsor. The Cellar Unit is presently being used as office storage by the Sponsor. The Roof Top Unit is presently subject to a lease agreement with Nextel Communications. Professional Units 1 and 2, the Cellar Unit and the Rooftop Unit are being retained by Sponsor and are not presently offered for sale hereunder.

All the Residential Units being offered are intended to be sold as Condominium Units in accordance with this Plan at the prices noted in Schedule A. These prices have been established solely by Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

Sponsor represents that it will endeavor in good faith to sell at least 51 percent of the Residential Units to Purchasers who represent that they are purchasing for their personal occupancy. If Sponsor makes a bulk sale of some or all of its Residential Units, the transferee will be bound by and will assume Sponsor's foregoing obligation to endeavor in good faith to sell rather than rent such Units.

Sponsor does not represent that it will endeavor to sell, rather than rent, the remaining 49 percent of the Residential Units. The Residential Units reserved by Sponsor may remain unsold indefinitely, and Sponsor may dispose of such Residential Units as it chooses.

Sponsor represents that it will decline to rent Residential Units (other than to Existing Tenants or to Purchasers pursuant to Interim Leases) until it has sold at least 51 percent of the Residential Units to Purchasers who represent that they are purchasing for personal occupancy. Notwithstanding the foregoing representation by Sponsor, Sponsor hereby reserves the right to rent rather than sell such Residential Units if a decline in the real estate market causes the unsold Residential Units to decline twenty (20%) percent or more in value from the Offering Prices set forth in the Purchase Agreements counted more in value from the Offering Prices set forth in the Purchase Agreement counted towards the declaration of effectiveness for this Plan.

Subject to the restrictions set forth in the immediately preceding three paragraphs, although 100 Residential Units are being offered pursuant to this Offering Plan, Sponsor is hereby reserving the right to withhold certain Residential Units from sale. If this occurs, an amendment to the Plan will be filed setting forth the Residential Units being withheld. If Sponsor leases certain Residential Units to tenants and such Residential Units subsequently are offered, Sponsor shall then amend the Plan accordingly.

The Offer to Present Residential Tenants.

Tenant Purchasers (defined in the Section entitled "Rights of Existing Tenants"), have the exclusive right to purchase their respective Residential Units within 90 days from the Presentation Date of this Plan to them (the "Exclusive Purchase Period") at the Purchase Prices set forth in Schedule A.

The purchase prices offered to Tenant Purchasers for the Residential Units are ten (10%) percent less than the purchase prices offered to Non-Tenant Purchasers.

In order to accept the Sponsor's offer during the Exclusive Purchase Period, a Tenant Purchaser must submit to Sponsor, an executed Purchase Agreement in the form set forth in Part II of this Plan, together with a Contract Deposit in an amount equal to ten (10%) percent of the Purchase Price for the Residential Unit to be purchased (the "Contract Deposit") prior to the expiration of the Exclusive Purchase Period. See the Section entitled "Procedure to Purchase" for more details.

If, prior to the expiration of any Exclusive Purchase Period which begins prior to the First Unit Closing, Sponsor amends the terms and conditions of this Plan to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted a Purchase Agreement and Contract Deposit before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions. Sponsor will enter into Purchase Agreements (as herein defined) with Existing Tenants who execute and submit a Purchase Agreement to the Sponsor, during the Exclusive Purchase Period, as the same may be extended or renewed. Sponsor shall have no obligation whatsoever to enter into a Purchase Agreement with an Existing Tenant subsequent to the expiration of the Exclusive Purchase Period, as such period may be renewed or extended from time to time by amendment to this Plan.

The Offer to Non-Tenant Purchasers.

Sponsor hereby offers for sale those Residential Units in the Building set forth in Schedule A to Non-Tenant Purchasers on the following terms:

(i) They shall have opportunity to purchase a vacant Residential Unit (if any) at the prevailing "Purchase Price for Non-Tenant Purchasers" as set forth on Schedule A; and

(ii) They shall have the opportunity to purchase an occupied Residential Unit either following the Exclusive Purchase Period afforded Tenant Purchasers or upon receipt of a written waiver by the Tenant Purchaser of his right to purchase during the Exclusive Purchase Period at the Purchase Price for Non-Tenant Purchasers as set forth on Schedule A.

A Non-Tenant Purchaser must submit to Sponsor an executed Purchase Agreement together with a check representing the Contract Deposit in an amount equal to ten (10%) percent of the Purchase Price for the Residential Unit being purchased. Notwithstanding the foregoing, no Purchase Agreement shall be binding upon Sponsor unless and until a fully-executed counterpart of the Purchase Agreement is unconditionally delivered to Purchaser. See the Section entitled "Procedure to Purchase" for more details.

General.

For further details concerning the closing of title to the Residential Units, the costs and adjustments with respect thereto and the time periods which must elapse before closings may occur, see the Sections entitled "Effective Date", "Closing Costs and Adjustments", and "Terms of Sale".

This Offering is made to individuals the age of eighteen years or over, corporations, limited liability companies, partnerships, trusts, estates and other business entities that may hold title to real estate pursuant to New York law.

The Units and their appurtenant Common Elements are being sold "AS IS" in the condition in which they exist on the Filing Date of this Plan, subject to ordinary wear and tear and further subject to Sponsor's obligation to maintain the Building until the First Unit Closing and further subject to Sponsor's obligations to make repairs, improvements or decorations as may be otherwise set forth in this Plan.

The estimated Common Charges for each Unit for the first year of operation of the Building as a Condominium are also set forth in Schedule A.

Additionally, each Purchaser of a Residential Unit will be required to make a contribution to the Working Capital Fund. Such contribution, to be made at the time of Closing of the Residential Unit, shall be in an amount equal to two month's Common Charges in effect at the time of closing for each Residential Unit purchases (see the Section entitled "Working Capital Fund and Apportionments").

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against such Unit Owner's Units, interest and amortization payments on the mortgage, if any, which such Unit Owner may, at such Unit Owner's option, obtain, and charges for gas and electricity consumed in such Unit Owner's Unit. Schedule A sets forth estimates of the amounts of real estate taxes which will be payable with respect to each Unit. See the Notes to Schedule A with respect to the bases of such estimates.

The charges for electricity consumed by each Residential Unit Owner individually (including for the operating of air conditioning units) will be separately metered and billed directly to such Residential Unit Owner by Con Edison. Water charges and sewer rents, assessed by The City of New York, will be paid for by the Condominium and will constitute a portion of the Common Charges. The costs and expenses off fuel used for heating and hot water and for cooking with respect to each Residential Unit will be included in Common Charges. Please refer to Schedule B for the projected budget for the first year of Condominium operation.

Applicable Rent Laws.

After the Declaration is recorded creating the Condominium, the spaces presently known as apartments will become Units of the Condominium. All such apartments are referred to as Units throughout this Plan.

The Plan is a non-eviction plan and is being presented in compliance with the requirements of Section 352-eeee of the General Business Law (the "GBL") which sets forth the procedure for converting dwelling units to condominium ownership. Under the GBL, Sponsor may declare this Plan to be effective when Purchase Agreements have been executed for at least fifteen (15%) percent of the Residential Units in the Building by *bona fide* tenants in occupancy on the Filing Date or *bona fide* purchasers who represent that they or one or more specified members of their immediate family will occupy the Residential Unit when it becomes vacant.

A Non-Purchasing Tenant of a Residential Unit will not be evicted by reason of conversion of the Property to condominium ownership.

As of the date hereof, there are 58 Residential Units in the Building being offered for sale pursuant to this Plan that are subject to the New York City Rent Stabilization Law and Code, the Rent Regulation Reform Act of 1997 and the rent regulatory scheme, codes, rules and regulations promulgated thereunder (the "Rent Laws"), as such Residential Units are indicated on Schedule A. Certain other Units are subject to free market leases. Sixteen Residential Units (namely, Residential Units M2, 3D, 4H, 5E, 6D, 8E, 8F, 8H, 9G, 9J, 9K, 10G, 10F, 11A, 12C, and 12E) are presently vacant. The status of each Residential Unit under the Rent Laws is set forth in Schedule A. Please refer to the Sections of the Plan entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Units Occupied by Non-Purchasing Tenants" for further details.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Location.

The Condominium is located at 30 East 37th Street, in the Borough of Manhattan, City of New York.

Property and Improvements - General Description.

The Building contains a basement, eleven stories plus a penthouse floor, a two-story roof tank bulkhead and a cellar; part of the cellar being at a lower grade than the basement. The cellar contains the boiler room, the tank room, the laundry room, the electrical equipment room, the compactor room, storage and work rooms for building staff. Portions of the basement and the cellar are also occupied by two professional offices one of which is presently leased to a physician and the other

which is being offered for lease by the Sponsor. Such Units will be designated as Professional Units in the Declaration. In addition to the two Professional Units, the ground floor, technically the basement pursuant to the New York City Building Code, contains a lobby with mail boxes, public hallway and entrance to the main stairwell and the elevators. The Building contains two elevators and two interior stairwells. There are six duplex apartments located on the ground level and first floors. The first floor contains six apartments in additional to the duplexes; the second and third floors each contain nine apartments, the fourth, fifth, sixth, seventh, eighth, ninth and tenth floors each contain ten apartments, the eleventh and penthouse floors each contain three apartments. For purposes of Schedule A herein, the basement is denominated as the first floor, the first floors through the eleventh floors are denominated as floors two through twelve, respectively. In addition, an equipment room and cell site antenna is located on the roof and will be designated as the Roof-Top Unit in the Declaration. There is a Unit located in the cellar of the Building demarcated by a fence presently used for office storage by the Sponsor and that will be retained by Sponsor and will be denominated as the Cellar Unit.

Each Residential Unit offered for sale by Sponsor is completely equipped and contains all major fixtures and appliances normally associated with a residential condominium unit. Each Residential Unit will contain a refrigerator-freezer and range. Certain Residential Units which have been renovated contain dishwashers including Units M1, M2, M3, M5, M6, 2C, 2E, 2F, 3B, 3D, 3E, 3H, 3J, 4A, 4B, 4F, 4H, 5B, 5C, 5D, 5J, 5K, 6A, 6C, 6D, 6F, 6G, 6H, 6K, 7A, 7B, 7C, 7J, 8A, 8B, 8E, 9A, 9C, 9J, 10A, 10B, 10C, 10D, 10E, 10J, 10K, 11A, 11C, 11E, 12B, 12C,12E, and PHA. In addition, Units M1, M2, M3, M5, 3B, 4H, 5D, 5K, 9H, 11 A, 12A, 12E, PHA and PHB contain stacked washer-dryer units. All Residential Units are being sold with the appliances installed therein on the date hereof, unless otherwise agreed in writing by Sponsor. Each Residential Unit Owner will be responsible for the cost of electricity used in his or her respective Residential Unit and will pay Con Edison for the cost thereof pursuant to costs shown on a meter. The Condominium will provide gas for operating the ranges in all Residential Units. Part II of this Plan contains a detailed, comprehensive description of the Property and outlines Residential specifications more fully and specifically defining the Building, its construction, facilities and amenities. Purchasers are strongly advised to read the report in Part II of the Plan. (See the Section entitled "Description of Property and Building Condition.")

The Building also contains Common Elements, some of which are General Common Elements and some of which are Limited Common Elements.

Limited Common Elements.

The Unit Owners who own the Units 11A, 11C, 11E, PHA, and PHB have exclusive use of the roof-top terraces created by set backs adjacent and appurtenant to such Residential Units as limited common elements, as shown on the Floor Plans included in Part II of the Plan (the "Roof Terraces"). The Residential Unit Owners who own the Duplex Units M1, M2, M3, M4, M5 and M6 have exclusive use of the outdoor patios adjacent and appurtenant to the such Residential Units as limited common elements, as shown on the Floor Plans included in Part II of the Plan (the "Rear Yard Terraces"). The Roof Terraces and the Rear Yard Terraces are for passive recreational use

only. Such Residential Unit Owners are responsible for all normal maintenance, repairs and replacements thereto. However, the cost and expense of any structural or extraordinary repairs or replacements to the Terraces provided that such repairs are caused by the negligence of the Residential Unit Owner having access to such Terrace shall be charged to all Unit Owners as a Common Expense.

The Board of Managers of the Condominium will operate, manage and control the Common Elements and the Limited Common Elements. The Declaration of Condominium provides the framework and procedures by which the Board of Managers will maintain and administer the Common Elements and the Limited Common Elements. The Declaration also obligates the Board of Managers to maintain and repair the Common Elements and the Limited Common Elements, provided however, the Unit Owners who have access to the Limited Common Elements shall be responsible for any installations made by such Unit Owners and the consequences of such installations, if any.

Construction of Units and Common Elements.

The Units and Common Elements are presently as shown on the plans drawn by Howard Spivak, Architect. The Building was completed in March, 1951 and was issued Certificate of Occupancy No. 38364 dated April 9, 1951 which is still in effect.

Lot Line Windows

The following Residential Units have windows located on a lot line along the easterly facade of the Building: 4H, 5H, 5J, 6H, 6J, 7H, 7J, 8H, 8J, 9H, 9J, 10H, and 10J. Units denominated as Professional Office 1, M6, 2C, 3B, 4B, 4C, 5B, 5C, 6B, 6C, 7B, 7C, 8B, 8C, 9B, 9C, 10B, and 10C, have windows located on the lot line along the westerly side of the Building. The current Building Code of the City of New York (the "Building Code") does not permit the use of lot-line windows to satisfy the light and air requirements of a Unit. These Units contain other windows which satisfy the light and air requirements under the Building Code for the City of New York. In the event that a building is constructed on the parcel adjacent to the lot line windows, the Board of Managers of the Condominium will be responsible to close the openings in the facade with construction in compliance with the Building Code and all other applicable laws, ordinances, codes, rules and regulations of governmental or other authorities having jurisdiction. The Condominium shall also insulate and seal the openings inside any affected Units. Sponsor estimates that the cost of sealing the lot-line windows is approximately $2,000 per window which including the framing, the masonry and the installation of the sheet rock which would be a common expense payable by all Unit Owners as a portion of their Common Charges or as a Special Assessment. Such estimate does not include the cost of re-finishing the interior surface of the sheet rock. Pursuant to the Declaration, it will be the responsibility of any affected Unit Owners to refinish the interiors of their Unit.

Services and Facilities.

The Building shall contain the following services and facilities:

a. Cable Television Service

A cable television system is available for the use of the Unit Owners. The charges for primary connections and subsequent monthly fees related to the service will be determined by, and payable directly to, Time Warner Cable of New York by the Unit Owner. Additional cable service (*e.g.*, Home Box Office or Showtime) will also be available from Time Warner Cable of New York for an additional charge on the same basis.

b. Building Staff

The Building will have a full-time Resident Manager, four doormen providing 24-hour doorman coverage, and two handymen.

c. Mail

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

d. Laundry Services

There is a laundry room located in the basement of the Building. The laundry room contains a double basin and single basin wash tub, four coin-operated Maytag Commercial Neptune washers and four Maytag Commercial Neptune coin-operated gas dryers. The laundry room is operated as a concession by Hercules and the income from such concession is realized by the Condominium.

e. Refuse Disposal

Unit Owners will bring their refuse to a designated area on each floor. The refuse will be collected on a daily basis and taken to the compactor room in the basement.

f. Smoke and Carbon Monoxide Detectors

Smoke Detectors and Carbon Monoxide Detectors are provided in each Unit in compliance with applicable laws and codes.

LOCATION AND AREA INFORMATION

Location.

The Property is situated at 30 East 37th Street, in the Borough of Manhattan, City of New York which is located on East 37th Street between Park and Madison Avenues and is the southern portion of mid-town Manhattan. The Property is zoned R-8. The zoning resolution of the City of

New York allows all types of residential buildings in zone R8, including residential occupancy, hotels primarily for transient occupancy, one, two and three-family houses and community facilities. On Madison Avenue there are retail, office, and related uses normally found in a central business district.

Surrounding Area.

The Condominium is located in Manhattan's Murray Hill which extends approximately from 33rd to 59th Streets between Madison and Lexington Avenues and is the southern portion of mid-town Manhattan. The area contains high-rise apartments buildings such as the Building, many brownstones and other small multiple dwellings. The Premises are located proximate to midtown Manhattan.

Shopping, Commercial and Recreational Facilities.

There is a wide variety of commercial establishments located near the premises including pharmacies, banks, restaurants and other stores. The buildings located proximate to cultural amenities including the New York Public Library located at 40th Street and Fifth Avenue, the Pierpont Morgan Library at 29 East 36th Street and the Whitney Museum at Philip Morris located at 42nd Street and Park Avenue.

The Premises are located close to Bryant Park, a seven acre space located between 40th and 42nd Streets between Fifth and Sixth Avenues which provides cultural and recreational programming year-round.

Transportation.

New York City is served by three major airports – LaGuardia Airport, Kennedy International Airport and Newark International Airport. Passenger railroad service is provided from Pennsylvania Station, located at Seventh Avenue and West 33rd Street and Grand Central Station, located at Lexington Avenue and 42nd Street. Transportation to and from the Building, and throughout New York City is available by taxi, limousine, and private automobile. Public transportation via subways and buses is also readily available. The Building is within walking distance of Grand Central Station which services IRT subway lines 4,5,6 and 7 and the cross-town shuttle to the west side. Grand Central Station also services Metro North Railroad which provides train service to Westchester County and Connecticut. Bus service is also convenient to the Building. The M1, M2, M3 and M4 bus lines provide southbound service along Fifth Avenue; the M1, M2, M3 and M4 provide north-bound service along Madison Avenue. The M5 bus providing service between 178th Street and Broadway and Houston Street in Greenwich Village stops on Fifth Avenue. The M-101, M-102 and M-103 provide southbound service along Lexington Avenue. The M104 provides North-South service on Broadway and East-West service along 42nd Street.

Police, Fire, Water, Sanitation, Snow Removal and Road Maintenance.

These services are provided by The City of New York and all charges (except water) are financed through real estate taxes paid by Unit Owners to The City of New York. The Premises are located in the Seventeenth Police Precinct with the station located at 167 East 51st Street. Fire protection is provided from the Engine Co. #65 located at 33 West 43rd Street. Water charges for the Units will be metered and paid by Unit Owners as a Common Expense of the Condominium.

Medical and Religious Facilities.

The area is served by numerous hospitals and medical facilities including New York University Hospital at 34th Street and First Avenue. There are houses of worship of most major denominations in the vicinity of the Building.

SPONSOR MAKES NO REPRESENTATION REGARDING THE CONTINUED EXISTENCE OF SERVICES AND AMENITIES IN THE AREA.

SCHEDULE A

HAMPTON ASSOCIATES LLC
SCHEDULE OF APARTMENTS

Unit #	Sq. Ft (Note 1)	Common Element (Note 2)	Number of Rooms (Note 3)	Status (Note 4)	Purchase Price	Purchase Price-Tenants (Note 5)	Common Charges (Note 6) Annual	Common Charges (Note 6) Monthly	Real Estate Taxes (Note 7) Annual	Real Estate Taxes (Note 7) Monthly	Total (Note 8) Annual	Total (Note 8) Monthly
M1	1127	1.62%	2	FM	$1,075,000	$940,625	12,408.33	1,034.03	7,984.82	665.40	20,393.14	1,699.43
M2	927	1.37%	2	V	$945,200	$827,050	10,493.46	874.46	6,752.59	562.72	17,246.05	1,437.17
M3	1946	2.57%	3	FM	$1,616,125	$1,414,109	19,684.81	1,640.40	12,667.27	1,055.61	32,352.09	2,696.01
M4	1377	2.01%	3	S	$1,366,750	$1,195,906	15,395.51	1,282.96	9,907.09	825.59	25,302.60	2,108.55
M5	921	1.37%	2	FM	$939,250	$821,844	10,493.46	874.46	6,752.59	562.72	17,246.05	1,437.17
M6	1119	1.60%	2	S	$1,075,000	$940,625	12,255.14	1,021.26	7,886.24	657.19	20,141.38	1,678.45
2C	582	0.72%	1	S	$380,000	$332,500	5,514.81	459.57	3,548.81	295.73	9,063.62	755.30
2D	479	0.63%	1	S	$360,000	$315,000	4,825.46	402.12	3,105.21	258.77	7,930.67	660.89
2E	490	0.64%	1	S	$362,000	$316,750	4,902.05	408.50	3,154.50	262.87	8,056.55	671.38
2F	493	0.65%	1	S	$363,000	$317,625	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
2G	481	0.64%	1	S	$363,000	$317,625	4,902.05	408.50	3,154.50	262.87	8,056.55	671.38
2H	580	0.72%	1	S	$380,000	$332,500	5,514.81	459.57	3,548.81	295.73	9,063.62	755.30
3A	697	0.88%	2	S	$525,000	$459,375	6,740.32	561.69	4,337.43	361.45	11,077.76	923.15
3B	1499	1.81%	4	S	$1,025,000	$896,875	13,863.62	1,155.30	8,921.31	743.44	22,784.93	1,898.74
3D	481	0.64%	1	V	$362,000	$316,750	4,902.05	408.50	3,154.50	262.87	8,056.55	671.38
3E	490	0.65%	1	S	$364,000	$318,500	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
3F	493	0.65%	1	S	$365,000	$319,375	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
3G	481	0.64%	1	S	$365,000	$319,375	4,902.05	408.50	3,154.50	262.87	8,056.55	671.38
3H	579	0.72%	1	FM	$382,500	$334,688	5,514.81	459.57	3,548.81	295.73	9,063.62	755.30
3J	910	1.12%	3	FM	$645,000	$564,375	8,578.60	714.88	5,520.37	460.03	14,098.96	1,174.91
3K	683	0.87%	2	S	$520,000	$455,000	6,663.73	555.31	4,288.14	357.35	10,951.87	912.66
4A	697	0.88%	2	FM	$527,500	$461,563	6,740.32	561.69	4,337.43	361.45	11,077.76	923.15
4B	909	1.12%	3	S	$650,000	$568,750	8,578.60	714.88	5,520.37	460.03	14,098.96	1,174.91
4C	582	0.73%	1	S	$385,000	$336,875	5,591.41	465.95	3,598.10	299.84	9,189.50	765.79
4D	479	0.64%	1	S	$365,000	$319,375	4,902.05	408.50	3,154.50	262.87	8,056.55	671.38
4E	490	0.65%	1	S	$367,000	$321,125	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
4F	493	0.65%	1	Super's Apt	$0	$0	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
4G	481	0.64%	1	FM	$367,000	$321,125	4,902.05	408.50	3,154.50	262.87	8,056.55	671.38
4H	1497	2.10%	4	V	$1,299,000	$1,136,625	16,084.87	1,340.41	10,350.69	862.56	26,435.56	2,202.96
4K	683	0.88%	2	S	$525,000	$459,375	6,740.32	561.69	4,337.43	361.45	11,077.76	923.15

SCHEDULE A

HAMPTON ASSOCIATES LLC
SCHEDULE OF APARTMENTS

Unit #	Sq. Ft (Note 1)	Common Element (Note 2)	Number of Rooms (Note 3)	Status (Note 4)	Purchase Price	Purchase Price-Tenants (Note 5)	Common Charges Annual (Note 6)	Common Charges Monthly (Note 6)	Real Estate Taxes Annual (Note 7)	Real Estate Taxes Monthly (Note 7)	Total Annual (Note 8)	Total Monthly (Note 8)
5A	697	0.89%	2	S	$530,000	$463,750	6,816.92	568.08	4,386.72	365.56	11,203.64	933.64
5B	909	1.13%	3	FM	$652,500	$570,938	8,655.19	721.27	5,569.66	464.14	14,224.85	1,185.40
5C	582	0.73%	1	FM	$387,500	$339,063	5,591.41	465.95	3,598.10	299.84	9,189.50	765.79
5D	479	0.64%	1	FM	$367,000	$321,125	4,902.05	408.50	3,154.50	262.87	8,056.55	671.38
5E	490	0.65%	1	V	$369,500	$323,313	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
5F	493	0.65%	1	S	$369,000	$322,875	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
5G	481	0.64%	1	S	$370,000	$323,750	4,902.05	408.50	3,154.50	262.87	8,056.55	671.38
5H	579	0.73%	1	S	$387,500	$339,063	5,591.41	465.95	3,598.10	299.84	9,189.50	765.79
5J	910	1.13%	3	S	$650,000	$568,750	8,655.19	721.27	5,569.66	464.14	14,224.85	1,185.40
5K	683	0.88%	2	FM	$527,500	$461,563	6,740.32	561.69	4,337.43	361.45	11,077.76	923.15
6A	697	0.89%	2	S	$535,500	$468,563	6,816.92	568.08	4,386.72	365.56	11,203.64	933.64
6B	909	1.13%	3	S	$655,000	$573,125	8,655.19	721.27	5,569.66	464.14	14,224.85	1,185.40
6C	582	0.73%	1	S	$390,000	$341,250	5,591.41	465.95	3,598.10	299.84	9,189.50	765.79
6D	479	0.64%	1	V	$370,000	$323,750	4,902.05	408.50	3,154.50	262.87	8,056.55	671.38
6E	490	0.65%	1	FM	$372,000	$325,500	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
6F	493	0.66%	1	S	$372,000	$325,500	5,055.24	421.27	3,253.07	271.09	8,308.32	692.36
6G	481	0.64%	1	FM	$372,000	$325,500	4,902.05	408.50	3,154.50	262.87	8,056.55	671.38
6H	579	0.73%	1	S	$390,000	$341,250	5,591.41	465.95	3,598.10	299.84	9,189.50	765.79
6J	910	1.13%	3	S	$652,500	$570,938	8,655.19	721.27	5,569.66	464.14	14,224.85	1,185.40
6K	683	0.88%	2	S	$530,000	$463,750	6,740.32	561.69	4,337.43	361.45	11,077.76	923.15
7A	697	0.89%	2	FM	$538,000	$470,750	6,816.92	568.08	4,386.72	365.56	11,203.64	933.64
7B	909	1.13%	3	S	$657,500	$575,313	8,655.19	721.27	5,569.66	464.14	14,224.85	1,185.40
7C	582	0.73%	1	S	$392,500	$343,438	5,591.41	465.95	3,598.10	299.84	9,189.50	765.79
7D	479	0.64%	1	S	$372,500	$325,938	4,902.05	408.50	3,154.50	262.87	8,056.55	671.38
7E	490	0.65%	1	FM	$375,000	$328,125	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
7F	493	0.66%	1	FM	$375,000	$328,125	5,055.24	421.27	3,253.07	271.09	8,308.32	692.36
7G	481	0.65%	1	S	$375,000	$328,125	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
7H	579	0.73%	1	S	$392,500	$343,438	5,591.41	465.95	3,598.10	299.84	9,189.50	765.79
7J	910	1.13%	3	FM	$655,000	$573,125	8,655.19	721.27	5,569.66	464.14	14,224.85	1,185.40
7K	683	0.88%	2	S	$532,500	$465,938	6,740.32	561.69	4,337.43	361.45	11,077.76	923.15

SCHEDULE A

HAMPTON ASSOCIATES LLC
SCHEDULE OF APARTMENTS

Unit #	Sq. Ft (Note 1)	Common Element (Note 2)	Number of Rooms (Note 3)	Status (Note 4)	Purchase Price	Purchase Price-Tenants (Note 5)	Common Charges Annual (Note 6)	Common Charges Monthly (Note 6)	Real Estate Taxes Annual (Note 7)	Real Estate Taxes Monthly (Note 7)	Total Annual (Note 8)	Total Monthly (Note 8)
8A	697	0.89%	2	S	$540,000	$472,500	6,816.92	568.08	4,386.72	365.56	11,203.64	933.64
8B	909	1.13%	3	S	$660,000	$577,500	8,655.19	721.27	5,569.66	464.14	14,224.85	1,185.40
8C	582	0.73%	1	S	$395,000	$345,625	5,591.41	465.95	3,598.10	299.84	9,189.50	765.79
8D	479	0.65%	1	S	$377,500	$330,313	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
8E	490	0.66%	1	V	$377,500	$330,313	5,055.24	421.27	3,253.07	271.09	8,308.32	692.36
8F	493	0.66%	1	V	$377,500	$330,313	5,055.24	421.27	3,253.07	271.09	8,308.32	692.36
8G	481	0.65%	1	S	$377,500	$330,313	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
8H	579	0.73%	1	V	$395,000	$345,625	5,591.41	465.95	3,598.10	299.84	9,189.50	765.79
8J	910	1.13%	3	S	$657,500	$575,313	8,655.19	721.27	5,569.66	464.14	14,224.85	1,185.40
8K	683	0.88%	2	S	$535,000	$468,125	6,740.32	561.69	4,337.43	361.45	11,077.76	923.15
9A	697	0.90%	2	S	$542,500	$474,688	6,893.51	574.46	4,436.01	369.67	11,329.52	944.13
9B	909	1.13%	3	S	$662,500	$579,688	8,655.19	721.27	5,569.66	464.14	14,224.85	1,185.40
9C	582	0.74%	1	S	$397,500	$347,813	5,668.00	472.33	3,647.39	303.95	9,315.39	776.28
9D	479	0.65%	1	S	$380,000	$332,500	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
9E	490	0.66%	1	S	$380,000	$332,500	5,055.24	421.27	3,253.07	271.09	8,308.32	692.36
9F	493	0.66%	1	S	$380,000	$332,500	5,055.24	421.27	3,253.07	271.09	8,308.32	692.36
9G	481	0.65%	1	V	$380,000	$332,500	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
9H	579	0.73%	1	S	$397,500	$347,813	5,591.41	465.95	3,598.10	299.84	9,189.50	765.79
9J	910	1.13%	3	V	$660,000	$577,500	8,655.19	721.27	5,569.66	464.14	14,224.85	1,185.40
9K	683	0.89%	2	V	$537,500	$470,313	6,816.92	568.08	4,386.72	365.56	11,203.64	933.64
10A	697	0.90%	2	S	$545,000	$476,875	6,893.51	574.46	4,436.01	369.67	11,329.52	944.13
10B	909	1.13%	3	S	$665,000	$581,875	8,655.19	721.27	5,569.66	464.14	14,224.85	1,185.40
10C	582	0.74%	1	FM	$400,000	$350,000	5,668.00	472.33	3,647.39	303.95	9,315.39	776.28
10D	479	0.65%	1	FM	$382,500	$334,688	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
10E	490	0.66%	1	FM	$382,500	$334,688	5,055.24	421.27	3,253.07	271.09	8,308.32	692.36
10F	493	0.66%	1	V	$382,500	$334,688	5,055.24	421.27	3,253.07	271.09	8,308.32	692.36
10G	481	0.65%	1	V	$382,500	$334,688	4,978.65	414.89	3,203.79	266.98	8,182.43	681.87
10H	579	0.74%	1	S	$400,000	$350,000	5,668.00	472.33	3,647.39	303.95	9,315.39	776.28
10J	910	0.13%	3	S	$662,500	$579,688	995.73	82.98	640.76	53.40	1,636.49	136.37
10K	683	0.89%	2	FM	$540,000	$472,500	6,816.92	568.08	4,386.72	365.56	11,203.64	933.64

SCHEDULE A

HAMPTON ASSOCIATES LLC
SCHEDULE OF APARTMENTS

Unit #	Sq. Ft (Note 1)	Common Element (Note 2)	Number of Rooms (Note 3)	Status (Note 4)	Purchase Price	Purchase Price-Tenants (Note 5)	Common Charges Annual (Note 6)	Common Charges Monthly (Note 6)	Real Estate Taxes Annual (Note 7)	Real Estate Taxes Monthly (Note 7)	Total Annual (Note 8)	Total Monthly (Note 8)
11A	2122	4.01%	9	V	$3,234,000	$2,829,750	30,714.43	2,559.54	19,764.89	1,647.07	50,479.32	4,206.61
11C	1409	1.81%	6	FM	$1,100,000	$962,500	13,863.62	1,155.30	8,921.31	743.44	22,784.93	1,898.74
11E	1229	1.72%	5	S	$1,127,055	$986,173	13,174.27	1,097.86	8,477.71	706.48	21,651.98	1,804.33
12A	1233	1.77%	5	S	$1,186,500	$1,038,188	13,557.24	1,129.77	8,724.15	727.01	22,281.40	1,856.78
12B	848	1.12%	4	FM	$700,000	$612,500	8,578.60	714.88	5,520.37	460.03	14,098.96	1,174.91
12C	553	0.69%	2	V	$402,500	$352,188	5,285.03	440.42	3,400.94	283.41	8,685.97	723.83
12D	851	1.16%	4	FM	$745,000	$651,875	8,884.97	740.41	5,717.52	476.46	14,602.50	1,216.87
12E	1229	1.76%	5	V	$1,186,500	$1,038,188	13,480.65	1,123.39	8,674.86	722.91	22,155.51	1,846.29
PHA/D	2453	4.18%	6	S	$2,695,000	$2,358,125	32,016.54	2,668.05	20,602.80	1,716.90	52,619.34	4,384.95
PHB	628	0.88%		FM	$575,000	$503,125	6,740.32	561.69	4,337.43	361.45	11,077.76	923.15
PHC	923	1.34%	6	FM	$910,000	$796,250	10,263.68	855.31	6,604.73	550.39	16,868.40	1,405.70
Office Unit 1	990	0.4668%					3,575.44	297.95	2,300.81	191.73	5,876.25	489.69
Office Unit 2	919	0.4766%					3,650.50	304.21	2,349.11	195.76	5,999.61	499.97
Cellar Space	389	0.1269%					971.99	81.00	625.48	52.12	1,597.46	133.12
Roof Unit	118	0.0397%					304.08	25.34	195.68	16.31	499.76	41.65
TOTALS:	**76850**	**100%**			**$60,193,380**	**$52,669,208**	**765,946.00**	**63,828.83**	**492,890.00**	**41,074.17**	**1,258,836.00**	**104,903.00**

Notes to Schedule A

1. Prospective Purchasers should refer to the Floor Plans included in Part II of the Plan for the dimensions and layouts of Units. Any floor plan or sketch shown to a prospective purchaser including those set forth in the Plan, is an approximation of the dimensions and layout of each Unit. Each Unit should be inspected to determine its actual dimensions, layout and physical condition prior to executing a Purchase Agreement. The Units are being sold on their "AS IS" condition as the date hereof. The square foot area and dimensions of the Units listed in Schedule A or on the Floor Plans or in the Declaration are approximate and may vary. In accordance with customary practice in New York City, the estimated floor area of each Unit is measured from points behind the walls enclosing the Unit, and thus, will exceed the usable floor area of the Unit by as much as ten (10%) percent. For purposes of Schedule A, the square footage includes the square footage of the Terraces for those Units that have Terraces appurtenant thereto, however, the square footage of the Terraces has been discounted for the purpose of Schedule A. To obtain the square footage of the Terraces, please refer to the Floor Plans in Part II of this Plan.

2. The respective Common Interest of each Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the New York Condominium Act, is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. In the event that Sponsor negotiates with individual purchasers to change the layout or dimensions of their respective Units and such changes involves the inclusion, in the Unit, of areas formerly designated as Common Elements, or involves adding to the Common Elements, space that was previously incorporated in the Units, the Common Interest of all of the Units may change slightly. Any such change in the Common Interest allocated to a Unit prior to the recording of the Declaration shall not be deemed a material change and shall not give rise to a right of rescission on the part of any purchaser.

3. The number of rooms was calculated in accordance with guidelines provided by New York State Division of Housing and Community Renewal. Some of the apartments may have been altered and may not conform exactly to the standard layouts. Each Unit should be inspected to determine its present layout.

4. This column indicates whether a Unit is presently vacant (V) or subject to a lease for a rent-stabilized tenant (S) or to a lease to a tenant who pays fair market rent (FM).

5. Each Tenant Purchaser has the exclusive right to purchase his or her Unit for the 90 day period following the Presentation Date of this Plan. The purchase prices and other terms of sale of Units for non-tenant purchaser may be negotiated by Sponsor and, therefore, may change. Accordingly, Purchasers may pay different purchase prices for similar Units. The effect of this, as well as the right of Sponsor to change purchase prices, is more particularly discussed in the Section entitled "Changes in Prices and Units." In addition to the payment of the purchase price,

each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of Closing, and there also will be an apportionment of certain charges relating to the Unit at the time of the Closing of title. as explained in the Section entitled "Unit Closing Costs and Adjustments." If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of additional closing costs and expenses relating to such loan. THE PRICES SET FORTH HEREIN HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.

6. The estimates contained in this Schedule A were certified by Sponsor's Condominium Budget Expert on the assumption that the first year of Condominium operation will be the year from July 1, 2006 through June 30, 2007, and are based on an estimate of the receipts and expenses of the Building for the projected year certified by the Condominium Budget Expert. The actual first year of Condominium operation may commence before or after July 1, 2006.

The estimated monthly Common Charges for each Unit are based on the Schedule B - First Year's Budget as certified by Sponsor's Condominium Budget Expert. In addition to these estimated payments, each Unit Owner will be responsible for real estate taxes on his Unit, mortgage payments under a loan or loans, if any, obtained to finance the purchase of his Unit, the cost of electricity supplied to his Unit, the cost of any insurance which he obtains for his Unit (and which Sponsor strongly urges each Unit Owner and the Condominium By-Laws require each Unit Owner to obtain) and the cost of interior repairs and decorations to his Unit.

7. The value of the Property for real estate tax purposes is determined annually by the Department of Finance of the City of New York. Under current New York State law, increases in a property's assessed valuation due to changes in its market value are to be phased in over five years in equal annual increments of twenty (20%) percent increases in value that result from physical alterations and improvements rather than general market conditions, are not phased in. Any further increase in the assessed value during such five-year period resulting from a still higher market value is to be similarly phased in over an additional five-year period. The full increased assessed value targeted to be paid at the end of five years is called the "actual assessed valuation." The "transitional assessed valuations" represents the aggregate of all increments being phased in for a given tax year, plus any "physical" increases. Real estate taxes for a given tax year are based upon the lower of either the actual or transitional assessed valuation. That lower figure is referred to as the "taxable assessed valuation."

No representation is made or warranty given as to whether or not there will be (i) a further increase in the assessed valuation of the Property during the five-year phase-in period, (ii) an increase in the tax rate, or (iii) a change in the method of determining the assessed fiscal year (2006/2007) valuation.

The aggregate real estate taxes for the residential Units for the projected first year of condominium operation fiscal year (2006/2007) are estimated to be approximately $492,890. In estimating the real estate taxes for each Unit, in the first year of condominium operation the total

taxable assessed valuation has been allocated among Units in the same ratio as the Unit's Common Interest. There is no assurance that the New York City tax authorities will allocate taxes among the Units in proportion to their respective Common Interest. Upon determination of individual tax lots and individual Unit assessments, the New York City tax authorities may allocate taxes between the Units in proportion to each Unit's purchase price rather than its Common Interest, and, if so, Units having the same Common Interest may pay different real estate taxes. However, in the event that at time of closing the Units have not been separately assessed, the Condominium will be authorized to make payment of all real estate taxes on the Property and will assess and collect the amount thereof from all Unit Owners in proportion to each Unit's Common Interest.

There can be no assurance that the tax rate for the residential Units will not exceed $12.396 per $100 of assessed value of the Property. Assessed valuations and property tax rates are subject to review and change by the taxing authorities.

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the Units plus their Common Interest exceed the total valuation of the Property were the property assessed as one parcel.

See the Section entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" in Part I and the "Attorney's Income Tax Opinion" in Part II for a discussion concerning the deductibility of real estate taxes paid with respect to a Unit. Inasmuch as the taxes for the Units will vary in future years, the amount of the tax deduction available to the Unit Owners on account of real estate taxes will likewise vary.

Once the Units are separately assessed by the New York City tax authorities, real estate taxes will be payable directly to the taxing authority on the following basis:

Annual Assessment Due Dates ($40,000 or less quarterly)	July 1, October 1, January 1 and April 1
More than $40,000	Semi-annually (July 1 and January 1)

8. These figures represent the aggregate estimated carrying charges which include estimated Common Charges and estimated real estate taxes. The total carrying costs do not include costs for individual Unit Owner expenses such as maintenance and repairs of the interior of the Unit, insurance, electricity, and debt service on any financing arranged to purchase the Unit.

SCHEDULE B

THE 30 EAST 37TH STREET CONDOMINIUM

Estimated Budget For First Year of Operation projected to begin on or about July 1, 2006.

INCOME (1):

Common Charges	$765,946
Laundry Income	$ 11,100
TOTAL	$777,046

EXPENSES

Labor (2)	$423,689
Heating and Hot Water (3)	$ 78,846
Utilities - Electricity and Cooking Gas (4)	$ 45,816
Water Charges and Sewer Rents (5)	$ 26,095
Repairs, Maintenance and Supplies (6)	$ 50,000
Service Contracts (7)	$ 21,337
Insurance (8)	$ 30,623
Legal Fees & Audit Fees (9)	$ 7,000
Management Fees (10)	$ 48,000
Rent for Resident Manager's Apartment (11)	$ 21,000
Administrative (12)	$ 10,000
Contingencies (13)	$ 15,000
Total Expenses	**$777,046**

FOOTNOTES TO SCHEDULE B

Estimated Budget For the First Year of Condominium Operation Projected to begin on or about July 1, 2006.

INCOME (1) **$ 777,046**

Common Charges: **$ 765,946**

These figures represent the total Common Charges to be levied against and collected from the Residential and Commercial Units during the first year of Condominium Operation. The Common Charges will be utilized by the Board to finance the operating expenses of the Condominium. The budget is based on the assumption that the first year of operation will be July 1, 2006 - June 30, 2007. The actual first year of operation may be earlier or later than the projected period.

Laundry Equipment Income: **$11,100**

Laundry Equipment consisting of three washing machines and three gas dryers is owned and maintained in the basement by Hercules Corp., 550 West John Street, Hicksville, NY 11801. The present agreement which expires on March 13, 2010 provides for a payment of $925.00 per month during the anticipated first year of Condominium operation. The agreement is being assigned to the Condominium. The Condominium will provide heat to the laundry room, hot and cold water, and gas for the operation of the equipment. The cost of such utilities is paid for by the Unit Owners in the Common Charges. In the event that laundry concession is terminated, it may be necessary to increase the Common Charges to replace the income realized therefrom. See Section entitled "Management Agreement, Resident Manager's Lease and Other Contractual Agreements" for further information.

The budget does not include any interest income that may be received by the Condominium from the Working Capital Fund or Reserve Fund. All or part of the Working Capital Fund or Reserve Fund may be expended during the first or subsequent years of operation. Accordingly, this income cannot be determined and may be inconsequential. For this reason, and because interest income does not reflect normally anticipated income from operations, it has not been included in the projected income for the first year of condominium operation.

EXPENSES

(2) Labor: **$423,689**

This item contemplates the continuation of the services of the existing building employees during the first year of condominium operation. A full-time Resident Manager, four doormen and two handymen are employed. All employees are members of Local 32 B-J of the Building Service Employees International Union ("Local 32B-J") and subject to the provisions of the Union Contract. Labor estimates are based on terms of the union contract that is to be in effect with Local 32 B-J (thereafter the "Union Contract"). The Union Contract presently in force and effect expires on April 30, 2006. The electricity and gas to the Resident Manager's apartment is furnished by the Condominium, as is a monthly allowance for a telephone. The cost for these items is included in the budgeted amounts for electricity and administrative charges, respectively. This projected figure has been calculated by utilizing the rates in effect under the union contract, plus three (3%) percent and assuming vacation pay of two weeks per employee, together with all fringe benefits/costs. Wages and benefits are based on the terms of the Union Contract. The wages and benefits (including vacation and sick time) for the employees are as follows:

POSITION	BASE	VACATION	SICK/PERSONAL	TOTAL
Resident Manager	$ 47,057	No replacement	$2,700	$ 49,757
Handymen (2)	$ 82,226	$ 7,178	$4,488	$ 93,892
Doormen (4)	$149,267	$10,903	$8,389	$168,559
Total Salaries				**$312,208**

Projected Payroll Taxes	
Social Security & Medicare (7.65 percent of Taxable Payroll)	23,884
Federal Unemployment Insurance (0.8 percent of $7,000 for each employee)	$ 392
New York Unemployment Insurance (1.56 percent of $8,500 for each employee)	$ 928
New York Disability Insurance	$ 366
Workers Compensation	$ 6,427
TOTAL PAYROLL	**$344,205**
Required Annual Contribution to Welfare Health and Pension Plans based on the 2005 union benefits:	$ 79,484
TOTAL	**$423,689**

(3) Heating and Hot Water: **$ 78,486**

Fuel for heat and hot water is No. 2 fuel oil. Costs vary depending upon the level of consumption and the cost of oil. Consumption will also be affected by the severity weather conditions and conservation considerations. The budget figure, therefore, is based upon the current price of oil. The average estimated annual consumption has been multiplied by $1.92 per gallon plus (including sales tax at 4.125 percent). Inasmuch as the market for oil is volatile and depends on any number of global economic and political factors, no representation may be made with respect to the actual cost of oil during the first year of condominium operation.

Cost and consumption for the previous three years was:

Year	Gallons	Cost	Average Cost per Gallon
2002	44,010	$36,808.73	0.84
2003	44,811	$50,785.77	1.13
2004	33,814	$42,218.20	1.25

(4) Utilities (Electricity and Gas): **$45,816**

The budget figure anticipates the cost of providing electricity to the common areas of the Building (including the public halls and the basement), to operate the intercom system and laundry equipment, exterior lights, and the Resident Manager's apartment, as well as gas to fire the oil burner. The Common Charges will also include the cost of gas used to supply the ranges located in each apartment.

The budget estimates an annual consumption of 166,034 KWH based upon the average usage over a three-year period. The current cost of electricity is $0.23/KWH which includes 5.125 percent sales tax. In addition, the budget estimates usage of 2,360 therms of gas. The current cost of gas is $2.31/therm (including gas delivery, gas supply charges and five (5.00%) percent sales tax). The budget figure provides for a five (5%) percent increase in costs.

Cost and consumption for the previous three years was as follows:

ELECTRICITY

Year	KWH	Cost	Cost/KWH
2002	196,260	$26,876.20	0.1369
2003	161,283	$26,407.89	0.1637
2004	140,560	$22,500.32	0.1599

GAS

Year	CCF	Cost	Cost/CCF	Therms	Cost/Therm
2002	2,304	$2,291.99	0.9948	2,378	0.96383095
2003	2,248	$2,744.87	1.2210	2,332	1.17704545
2004	2,184	$2,753.16	1.2606	2,260	1.21821239

Electricity used in the Units will be individually metered to each Unit and the charges therefor will be payable directly to the utility company by the Unit Owner. The Commercial Units will be separately metered for electricity.

(5) Water Charges and Sewer Rents: **$25,259**

Water charges and sewer rents are billed by the City of New York. As estimated by Lee Associates, the anticipated annual cost and consumption for water charges and sewer rents are:

Water charges and sewer rents are billed by City of New York. Consumption is measured in cubic feet of water (cfs) by a main building meter. The current rate for NYC water and sewer charge is $4.2375 per 100 cubic feet (cfs). The budget assumes an annual consumption of 649,034 cfs of water at an increase of approximately five (5%) percent above current rate.

Costs and consumption for the prior three years was:

Year	Usage (CF)	Cost	Cost/CF
2002	605,300	$22,225.05	0.0367
2003	616,300	$24,073.31	0.0391
2004	610,100	$24,667.26	0.0404

(6) Repairs, Maintenance and Supplies: **$50,000**

The budget amount is based upon normal maintenance of, and repairs to the Building plus various cleaning supplies and material, lubricants, bulbs, public fixtures, general and hardware supplies, and painting of common areas. The estimated annual cost of supplies is $5,000. It does not include repairs, maintenance or supplies used with respect to individual apartments, the maintenance of which is the responsibility of the Unit Owners. This budget item does not include a provision for capital repairs, replacements or improvements.

(7) Service Contracts: **$21,337**

The following service contracts will be in effect as of the date of the First Unit Closing:

Contractor	Service	Annual Cost with Sales Tax
Nouveau Elevator Industries, Inc. 74 Calyer Street Brooklyn, NY 11040	Elevator Maintenance Contract	$18,456
Chemsend P.O. Box 152170 Irving, TX 75015	Water Treatment	$ 271
Assured Environments 45 Broadway, 8th Floor New York, NY 10016	Pest Extermination	$1,198
The Metro Group 50-23 23rd Street Long Island City, New York	Boiler Service	$1,412

The budget projects that the Condominium will continue with the above service contracts which, with applicable sales tax, are projected to cost $21,337.

(8) Insurance: **$30,623**

The following insurance is recommended for the building by HUB International Northeast, 100 Sunnyside Boulevard, Suite A, Woodbury, NY 11797 for the first year of condominium operation in a letter dated October 7, 2005. This coverage will be in place at the time of the first unit closing.

Commercial Package Policy:

Section I. Commercial Property
Fire with Extended Agreed Amount Endorsement
$12,000,000 subject to a $5,000 deductible, $25,000 deductible for flood

Loss of Maintenance Fees $1,200,000

Section II. Commercial General Liability

Comprehensive General Liability

General Aggregate	$ 2,000,000
Products/Completed Operations	$ 1,000,000
Personal/Advertising Injury	$ 1,000,000
Each Occurrence	$ 1,000,000
Fire Damage Legal Liability	$ 50,000
Medical Expense	$ 5,000
Employee Disbursements	$ 1,000,000
Directors & Officers Liability	$ 1,000,000
Umbrella Liability	$100,000,000
Boiler and Machinery	$ 13,200,000

Each Unit Owner and its mortgagees may be included under the Condominium's policy as an additional insured. Notice of cancellation will be sent to the Board of Managers. A waiver of subrogation is included in the Property Section of the policy. Acts or omissions by any Unit Owner will not void the policy in instances where the individual is not acting on behalf of the Condominium. A Unit Owner may have other insurance in force covering the same property. However, the Condominium's policy is intended to be primary and will not contribute with such other insurance.

The coverages are all with insurance carriers rated "A" by A.M. Best, Inc. The quotes are based upon current insurance market conditions and are subject to change at anytime.

Unit Owners are required by the Condominium By-Laws to obtain coverage, at their own cost, to cover such risks as fire and casualty losses to unit contents, replacements, addition, upgraded fixtures and improvements, personal property and liability coverage for occurrences within the unit.

(9) Legal and Audit Fees: **$ 7,000**

All Unit Owners are entitled to receive annually from the Condominium, at the Condominium's expense, an annual financial statement, prepared by an independent certified public accountant, within four months after the end of each calendar year. The budget figure is based upon a fee of $4,200 for audited financial statements quoted by Russell B. Blank, CPA, 83 Forest Drive, Jericho, NY 11753. The budgeted amount includes the preparation of tax returns. Miscellaneous ($2,800), but not major legal fees are also included.

(10) Management Fees: **$48,000**

As of the date of the first unit closing, the Condominium will enter into two year Management Agreement with Charles H. Greenthal and Company having an address at Two Park Avenue, New York, New York. For a full discussion of the terms and conditions of the Management Agreement, see the section of this Plan entitled "Management Agreement, Resident Manager's Lease and Contractual Agreements".

(11) Rent for Resident Manager's Apartment: $21,000

The apartment occupied by the Resident Manager, 4F, will be owned by Sponsor. At Closing, Sponsor will enter into a lease with the Board of Managers for a term of ten (10) years. For the first five years following the conversion of Building to a Condominium, the monthly rent will be $1,250 and will increase by three (3%) percent per annum. There is a single option to renew the Lease for an additional five-year term. In addition, after the first year of Condominium Operation, the Board will also be responsible to pay any increase in the real estate taxes for such Unit and any increase in the Common Charges over the amounts incurred during the first year of Condominium Operation. Sponsor has no obligation to renew the Resident Manager's Lease at the expiration of the extended term thereof.

Sponsor has further agreed that in the event that a one bedroom Unit in the A-Line or the K-Line below the ninth floor which has not been combined with another Unit becomes available (a "Substitute Unit"), the Board of Managers may, at its option, terminate the Lease for Unit 4F and instead enter into a lease for such Substitute Unit for the then remaining portion of the lease term, on the same terms and conditions set forth herein above for the Resident Manager's Lease except that the initial base rent shall be $1,750 and the escalated base rent shall be computed accordingly. The projected cost of the Resident Manager's Unit has been computed assuming that the Board of Managers has exercised its option to enter into a lease for a Substitute Unit as of the date of the First Unit Closing. See the Section entitled "Management Agreement, Resident Manager's Lease and Other Contractual Agreements".

(12) Administrative Expenses and Other: **$10,000**

This estimate includes an annualized allowance for license fees, inspection fees, registration charges, municipal permits and city and state income taxes payable by the Condominium. The Condominium may deduct expenses incurred as a result of the maintenance and operation of the building against income resulting in little or no tax liability for the first year operation. It also includes a provision for copying costs, postage and other administrative expenses.

(13) Contingency: **$15,000**

This reserve may be used at the discretion of the Board of Managers toward unforeseen expenses, increase in expenses in excess of the amounts projected above or other appropriate condominium expenses. The purpose of the contingency fund is separate and distinct from the Working Capital Fund (hereinafter defined). The reserve for contingencies is separate and distinct from the Reserve Fund and the Working Capital Fund.

NOTE: While Sponsor has attempted to make accurate estimates, such realities as inflation, changes in the economy and unforeseen factors are likely to cause differences in actual expenditures from the projections set forth herein.

In the opinion of Buchbinder & Warren, LLC, the projected income is adequate to meet the estimated expenses for the first year of Condominium operation, assuming the first year will commence on or about July 1, 2006. The foregoing budget, however, is not intended, and should not be taken as a guarantee by anyone that the Annual Common Charges or Common Expenses for the first, or subsequent, year of operation of the Property by the Board.

It is possible that the actual Income and Expenses for the First Year of Condominium Operation will vary from the amounts shown in the budget. Sponsor reserves the right to enter into service, maintenance, employment, concessionaire and other agreements that will be binding on the Board upon commencement of Condominium Operation. However, Sponsor may not enter into any binding service, maintenance, employment, concessionaire or other agreements that will materially increase the first year's projected Common Charges or that will be binding on the Board for a period of more that two years from the commencement of Condominium Operation, unless disclosed in an amendment.

If the actual or anticipated date of commencement of condominium operation is to be delayed more than six months from the budget year projected in the Plan, the Plan must be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by 25 percent or more, Sponsor must offer all purchasers the right to rescind and a reasonable period of time that is not less than fifteen days after the date of presentation to exercise the right, whether or not Sponsor offers to guarantee the previous budget projection. Sponsor must return any deposit or Contract Deposit to purchasers who rescind within a reasonable period of time. Sponsor may not declare a plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Plan.

SHANDLING & LANDSMAN, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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FAX: 212-481-0987
E-MAIL: SHANDLANDS@SHANDLINGANDLANDSMAN.COM

INDEPENDENT AUDITORS' REPORT

To the Members of Hampton Associates, LLC

We have audited the accompanying Statement of Income of the building located at 30 East 37th Street, New York, for the year ended December 31, 2004. In defining the income and expenses of the building, the following income and expenses have been excluded: rental income from tenants, depreciation, mortgage interest, rental commissions, painting and repair costs which could be determined to be attributable to individual apartments and elements of income and expense which relate to the Company but not to the property operations. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatatement. An audit includes examining on a test basis, evidence supporting the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Statement of Income referred to above present fairly, in all material respects, the income and expenses of the building located at 30 East 37th Street, New York, New York for the year ended December 31, 2004 in conformity with generally accepted accounting principles.

You have advised us of your intention to reproduce this letter and said statement in a proposed plan to convert the building to condominium ownership of the premises know as 30 East 37th Street, New York, New York and hereby consent thereto.

Shandling & Landsman, LLP

Shandling & Landsman, LLP
Certified Public Accountants

New York, New York
October 7, 2005

SCHEDULE 1
OTHER DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2004

Payroll Service - ADP	2,674.10
Dues, Fees & Permits	9,392.58
Elevator Maintenance	20,013.00
Insurance	22,403.00
Exterminator	369.42
Fire Prevention	730.00
Lobby	4,640.57
Management Fees	52,644.00
Miscellaneous	38,761.43
Painting & Decoration	385.14
Plumbing & Boiler	15,354.77
Professional Fees	26,378.50
Repairs & Maintenance	46,227.77
Supplies	22,608.89
Telephone	1,896.41
Uniform Maintenance	1,199.00
Electricity & Gas	24,760.44
Fuel	47,091.00
Water & Sewer	24,667.26
TOTAL:	362,197.28

Note 1

Excluded from the operating expense accounts is the amount of $172,304 for the work done in specific apartments for:

Air Conditioner	7,622.13
Appliances	20,898.36
Dues, Fees & Permits	-
Electricity	5,930.56
Flooring	26,070.22
Glass & Shades	30,563.10
Legal	8,567.84
Painting & Decoration	13,561.86
Plumbing & Boiler	8,000.23
Protection	439.93
Repairs & Maintenance	8,446.23
Rubbish Removal	175.00
Supplies	1,666.11
Utility Maintenance	210.73
TOTAL:	132,152.30

Note 2 - Fuel

The figure for heat and hot water is an accrual figure based upon generally accepted accounting principles. The actual fuel oil consumption in 2004 was 33,814 gallons at a cost of $41,981

Reconciliation

Actual Consumption	41,981
Oil consumed in 2003, and paid for in 2004	5,111
Oil consumed in 2004, and paid for in 2005	
F/S Figure	47,092

Note 3 - Light & Power

The figure for electric and gas is an accrual figure based upon generally accepted accounting principles. It represents the combined amount of building-and unit-related electricity and gas expenses. The actual electric consumption in 2004 was163,847 KWH at $28,430.88. The actual gas consumption in 2004 was 2,184 cubic feet (2260 therms) at $2,753.16

Reconciliation

	Electricity	Gas	Total
Actual Consumption	28,431	2,753	
Consumed in 2003, and paid for in 2004	2,061	248	
Difference between billed and paid amounts			
Consumed in 2004, and paid for in 2005	(2,509)	(292)	
Total	27,983	2,709	30,692
F/S Figure			30,692

Note 4 - Water & Sewer

The figure for water & sewer is an accrual figure based upon generally accepeted accounting principles. The actual water consumption in 2004 was 610,100 gallons at a cost of $24,667.26.

Actual Consumption	24,667
Difference due to accruals	
F/S figure	24,667

SHANDLING & LANDSMAN, LLP
CERTIFIED PUBLIC ACCOUNTANTS

RAYMOND SHANDLING (1914-1996)
HAROLD LANDSMAN (1920-1997)
BARRY J. ALBANO
STUART LUBOWSKY

THE EMPIRE STATE BLDG
350 FIFTH AVENUE – STE 5319
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E-MAIL: SHANDLANDS@shandlingandlandsman.com

INDEPENDENT AUDITORS' REPORT

To the Members of Hampton Associates, LLC

We have audited the accompanying Statements of Income of the building located at 30 East 37th Street, New York, New York for the years ended December 31, 2003 and 2002. In defining the income and expenses of the building, the following income and expenses have been excluded: rental income from tenants, depreciation, mortgage interest, rental commissions, painting and repair costs which could be determined to be attributable to individual apartments and elements of income and expense which relate to the Company, but not to property operations. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. And audit includes examining on a test basis, evidence supporting the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Statements of Income referred to above present fairly, in all material respects, the income and expenses of the building located at 30 East 37th Street, New York, New York for the years ended December 31, 2003 and 2002 in conformity with generally accepted accounting principles.

You have advised us of your intention to reproduce this letter and said statement in a proposed plan to convert the building to condominium ownership of the premises known as 30 East 37th Street, New York, New York and hereby consent thereto.

Shandling & Landsman, LLP
Certified Public Accountants

New York, New York
February 28, 2005

SCHEDULE 1
OTHER DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2003

Payroll Service - ADP	2,581
Dues, Fees & Permits	1,857
Elevator Maintenance	19,698
Insurance	15,802
Exterminator	319
Fire Prevention	1,177
Lobby	3,512
Management Fees	52,644
Miscellaneous	588
Painting & Decoration	2,902
Plumbing & Boiler	15,425
Professional Fees	44,005
Repairs & Maintenance	2,704
Supplies	15,775
Telephone	1,663
Uniform Maintenance	1,878
Electricity & Gas	29,153
Fuel	51,084
Water & Sewer	23,085
TOTAL:	285,853

Note 1

Excluded from the operating expense accounts is the amount of $172,304 for the work done in specific apartments for:

Air Conditioner	3,123
Appliances	4,193
Dues, Fees & Permits	1,242
Electricity	1,868
Flooring	11,432
Glass & Shades	6,438
Legal	1,950
Painting & Decoration	72,654
Plumbing & Boiler	9,950
Protection	1,960
Repairs & Maintenance	53,215
Rubbish Removal	2,550
Supplies	1,530
Utility Maintenance	198
TOTAL:	172,304

Note 2 - Fuel

The figure for heat and hot water is an accrual figure based upon generally accepted accounting principles. The actual fuel oil consumption in 2003 was 44,811 gallons at a cost of $50,786

Reconciliation

Actual Consumption	50,786
Oil consumed in 2002, and paid for in 2003	5,409
Oil consumed in 2003, and paid for in 2004	(5,111)
F/S figure	51,084

Note 3 - Light & Power

The figure for electric and gas is an accrual figure based upon generally accepted accounting principles. it represents the combined amount of building- and unit-related electricity and gas expenses. The actual electric consumption in 2003 was 174,176 KWH at $29,720.67. The actual gas consumption in 2003 was 2,248 cubic feet (2332 therms) at $2,744.87

Reconciliation

	Electricity	Gas	Total
Actual Consumption	29,721	2,745	
Consumed in 2002, and paid for in 2003	855	-	
Difference between billed and paid amounts	9		
Consumed in 2003, and paid for in 2004	(2,061)	(248)	
Total	28,524	2,497	31,021
F/S figure			31,021

Note 4 - Water & Sewer

The figure for water & sewer is an accrual figure based upon generally accepted accounting principles. The actual water consumption in 2003 was 616,300 gallons at a cost of $24,073.

Actual Consumption	24,073
Difference due to accruals	(989)
F/S figure	23,085

SCHEDULE 1
OTHER DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2002

Payroll Service - ADP	2,383
Dues, Fees & Permits	1,991
Elevator Maintenance	15,927
Insurance	16,924
Flooring	-
Lobby	2,930
Management Fees	52,644
Miscellaneous	2,506
Painting & Decoration	2,237
Plumbing & Boiler	2,261
Professional Fees	39,417
Repairs & Maintenance	5,093
Supplies	21,480
Telephone	1,449
Uniform Maintenance	3,257
Electricity & Gas	29,168
Fuel	34,072
Water & Sewer	32,535
TOTAL:	266,272

Note 1

Excluded from the operating expense accounts is the amount of $179,418 for the work done in specific apartments for:

Air Conditioner	1,585
Air Conditioner Maintenance	779
Appliances	15,532
Dues, Fees & Permits	781
Electricity	4,951
Flooring	12,737
Glass & Shades	2,682
Legal	14,758
Miscellaneous	8,844
Painting & Decoration	49,262
Plumbing & Boiler	7,792
Protection	162
Repairs & Maintenance	53,917
Rubbish Removal	775
Supplies	4,398
Utility Maintenance	464
TOTAL:	179,418

Note 2 - Fuel

The figure for heat and hot water is an accrual figure based upon generally accepted accounting principles. The actual fuel oil consumption in 2002 was 44,010 gallons at a cost of $36,809

Reconciliation

Actual Consumption	36,809
Oil consumed in 2001, and paid for in 2002	2,672
Oil consumed in 2002, and paid for in 2003	(5,409)
F/S figure	34,072

Note 3 - Light & Power

The figure for electric and gas is an accrual figure based upon generally accepted accounting principles; it represents the combined amount of building- and unit-related electricity and gas expenses. The actual electric consumption in 2002 was 196260 KWH at $30,719.24. The actual gas consumption in 2002 was 2,304 cubic feet (2378 therms) at $2,291.99

Reconciliation

	Electricity	Gas	Total
Actual Consumption	30,719	2,292	
Consumed in 2001, and paid for in 2002	1,887	201	
Difference between billed and paid amounts	(125)		
Consumed in 2002, and paid for in 2003	(855)	-	
Total	31,626	2,493	34,119
F/S figure			34,119

Note 4 - Water & Sewer

The figure for water & sewer is an accrual figure based upon generally accepted accounting principles. The actual water consumption in 2002 was 605,300 gallons at a cost of $22,225.

Actual Consumption	22,225
Consumed in 2001, and paid for in 2002	10,310
F/S figure	32,535



BUCHBINDER
& WARREN LLC

February 16, 2006

Investment Protection Bureau
Real Estate Financing Section
New York State Department of Law
120 Broadway
New York, New York

Re: 30 East 37th Street
New York, New York

We have reviewed the allocation of Common Interest among the Condominium Units at the referenced property.

The allocation is based upon floor space, subject to the relative value to other space in the Condominium, the uniqueness of the unit, the availability of the common elements for exclusive or shared use, and the overall dimension of the particular unit pursuant to Section 339-i(1)(iv) of the New York Real Property Law.

In our opinion, the allocation of Common Interest among the Condominium Units is fair and reasonable.

This undersigned is a licensed real estate broker in the State of New York. We have projected budgets for proposed and existing condominium and cooperative properties in New York City since 1978. We have acted as consultant, selling agent and/or managing agent for more than 100 properties.

We have no financial interest in the Sponsor, the condominium or any other party interested in this transaction or in the land building covered by the Plan. You have advised us of your intent to reproduce this letter in the Plan and we hereby consent to such use.

Very truly yours,

Buchbinder & Warren LLC

By: _____
Name: Rosemary Paparo
Title: Director or Management

Sworn to before me this
16th day of February, 2006

Jacqueline Pasternack
Notary Public

JACQUELINE PASTERNACK
Notary Public, State of New York
No. 01PA6006779
Qualified in Kings County
Commission Expires May 4, 20 06

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GOLDBERG WEPRIN & USTIN LLP

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† ALSO MEMBER OF TEXAS BAR
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◆ ALSO MEMBER OF FLORIDA BAR

February 23, 2006

Board of Managers
30 East 37th Street Condominium
30 East 37th Street
New York, New York

Re: 30 East 37th Street Condominium
30 East 37th Street
New York, New York

Ladies and Gentlemen:

We have acted as counsel for Hampton Associates LLC, a New York limited liability company (the "Sponsor"), in connection with the preparation of the condominium offering plan, declaration of condominium and the by-laws for the referenced condominium. We have been asked to write this opinion as to whether the allocation of the percentages of common interest allocated to the respective Units as set forth in Schedule A of the condominium plan is in conformance with the provisions of the Real Property Law, Article 9-B, Section 339-i (1) (iv). In such capacity, we have reviewed the provisions of Section 339-i (1) (iv) and the opinion of Buchbinder and Warren LLC.

The Sponsor has used method (iv) set forth in Section 339-i (1) that is upon the floor space of the units, subject to the relative value to the other space in the Condominium, the availability of the common elements for exclusive or shared use, and the overall dimensions of the units.

In reliance solely upon the opinion letter prepared by Buchbinder and Warren LLC, it is our opinion that the allocation of the percentages of common interest allocated to each of the respective units as set forth in Schedule A of the Plan is in compliance with the requirements of Section 339-i (1)(iv).

We assume no obligation to supplement this opinion if any applicable laws change after the date hereof or if we become aware of any facts that might change the opinions expressed herein after the date hereof. We do not express any opinion on any subject not expressly addressed herein. A copy of this letter may be included in the condominium offering plan.

Very truly yours,

GOLDBERG WEPRIN & USTIN LLP

Goldberg Weprin & Ustin, LLP

CHANGES IN PRICES AND UNITS

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

Sponsor reserves the right to negotiate with each Non-Tenant Purchaser the following terms and conditions, among others, of the Purchase Agreement: purchase price; the amount of the Deposit; financing and other contingencies; the availability of financing; the payment of Purchaser's financing fees and other closing costs; the availability of Common Charge rebates, purchase price rebates, decoration allowances, work to be done in the Units, and subsidies payable as a credit against the purchase price or on a periodic basis; extensions of time periods within which to perform obligations under the Purchase Agreement; the availability of Use and Occupancy Agreements and the amount of interim rent thereunder; and the application of interim rent towards the purchase price, provided, however, no such change shall constitute a discriminatory inducement.

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

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of the Condominium Board, any Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering any boundary walls between one or more Unsold Units, or otherwise, including

incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Unit into such Unsold Unit, and (c) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b) or (c) above, such change shall be disclosed in a duly filed amendment to the Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Unit, will be made with respect to any Unsold Unit for which a Purchase Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, dimension, floor space or layout of such Unsold Unit. However, no material adverse change will be made in the size or in the Common Elements unless Purchasers who are no in default under their respective Purchase Agreement receive a right to rescind such Purchase Agreement to be exercised within no less than fifteen days after the Presentation Date of such amendment.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid or otherwise, nor may the Common Interest of any Unit be changed, unless, in each such event, the Declaration and Floor Plans and the Plan are amended by an amendment to the Declaration. The reasonable consent of each Unit Owner whose Unit is directly affected by such change is required, except as may be set forth herein and in the Declaration. Sponsor will have the right to amend or to cause the Condominium Board to amend the Declaration to reflect any such change and to file such amendment and any necessary plans and specifications in connection therewith.

THE UNITS ARE BEING SOLD IN THEIR "AS IS" CONDITION ON THE DATE HEREOF, SUBJECT TO REASONABLE WEAR AND TEAR OR AS OTHERWISE AGREED BY SPONSOR HEREIN OR IN WRITING. PURCHASERS ARE ADVISED TO INSPECT A UNIT PRIOR TO EXECUTION OF A PURCHASE AGREEMENT.

COMMERCIAL UNITS

There will be two Professional Units in the Condominium. The Professional Units are located on the basement and cellar levels of the Building. One of the Professional Units is presently leased by a physician and the other is being marketed for lease by Sponsor. In addition, there will be a Cellar Unit and a Roof-Top Unit located in the cellar and on the roof of the Building, respectively. The Cellar Unit is presently being used for office-related storage by the Sponsor. The Roof Top Unit is presently leased to Nextel Communications, Inc. for use as a cell site. The Roof-Top Unit, the Cellar Unit and the Professional Units are sometimes collectively referred to herein as the "Commercial Units". The Commercial Units include all equipment, apparatus and facilities located in such area or elsewhere in the Building which service, enclose or benefit only the Commercial Units. All or any part of the Commercial Units may be leased or subleased by the Commercial Unit Owner(s). The Commercial Units are being retained by Sponsor and are not presently being offered for sale hereunder.

No representation is made with respect to: (a) the uses to which the Commercial Units or any part thereof may be put at any time, or (b) who, as tenant(s), will operate or occupy the Commercial Units or any part thereof at any time, or (c) Sponsor's continued ownership fo the Commercial Units or any part thereof. The Commercial Units may be used for any lawful purpose under the applicable building codes and zoning ordinances, including (without limitation), as model Units, or as a sales office, or as an office for the leasing, rental or management of one or more such Units, without any charge or fee by the Condominium Board, at such rents, and upon such terms and conditions, as sponsor or the Unit Owner and any tenant(s)may agree. However, the Commercial Units may not be used for any illegal, noxious or immoral purpose.

The Condominium Board and the Residential Unit Owners will not have the right to disapprove either any change in the use of the Commercial Units (or any part thereof), or any amendment to the Building's Certificate of Occupancy to authorize another use for the Commercial Units (or any part thereof).

The percentage interest of the Commercial Units in the Common Elements is based upon floor area, location, uniqueness, overall dimensions and similar factors of relative value to other space in the condominium, pursuant to Section 339-i(1)(4) of the New York Condominium Act. Generally, each Commercial Unit Owner must pay its share of the Common Expenses based on its percentage interest in the Common Elements. In addition, the Commercial Unit Owner will be required to pay the expenses attributable to the cost of fire and casualty insurance to the extent that such cost exceeds the cost of comparable insurance in a building which does not contain any mercantile space. No Commercial Unit Owner, however, is required to contribute to the Common Expenses or to pay any special assessment to the extent same is used for repair, renovation or decoration of the Common Elements of the Condominium which are for the exclusive use of the Residential Unit Owners.

The Common Charges payable by each Commercial Unit Owner (as set forth in Schedule B) are sufficient to cover the expense fairly attributable to such Commercial Unit.

A Commercial Unit Owner may make alterations in its Commercial Unit without the consent of the Condominium Board or the other Unit Owners.

A Commercial Unit Owner has the right to freely sell or lease its Commercial Unit or any part thereof without the Condominium Board having any right of first refusal to purchase or lease, or to procure a third party to purchase or lease, the same (see "Rights and Obligations of the Unit Owners and the Condominium Board" for further discussion).

RIGHTS OF EXISTING TENANTS

Each Existing Tenant will have the exclusive right to purchase the Unit he occupies for a period of 90 days (the "Exclusive Period") after the Filing Date of the Plan at the "inside"

purchase price offered to existing tenants as set forth in Schedule A above. The term "Existing Tenants" as used in this Plan and defined in the "Definitions" subsection of the "Introduction" of this Plan shall include (i) each *bona fide* tenant in occupancy of an apartment in the Building on the Filing Date of the Plan, (ii) each *bona fide* tenant with the right on such date to renew a lease for an apartment in the Building, and (iii) each *bona fide* tenant who has the right on such date to continued occupancy of an apartment in the Building. For purposes of determining who has the right to purchase a Unit during the Exclusive Period, a *bona fide* tenant of record with an unexpired lease shall be presumed to be a "tenant in occupancy" even though he has sublet his Unit in the Building or the Residential Unit in the Building is not his primary residence. A *bona fide* sublessee in occupancy of a Residential Unit in the Building on the Filing Date (which includes only those sublessees whose occupancy is consented to by Sponsor or whose occupancy is authorized as a matter of law) who sublets from a non-*bona fide* tenant or has obtained written permission to purchase the Residential Unit in the Building from a *bona fide* tenant of record shall also have the right to purchase that Residential Unit in the Building at the "inside price" during the Exclusive Period (unauthorized sublessees having no such rights). Nothing contained herein shall be construed to deprive Sponsor of any legal remedy for illegal occupancy.

No Existing Tenant will have any exclusive or preferential right to purchase any vacant Unit or any Unit occupied or leased by another. Any exclusive right granted to Existing Tenants hereunder shall apply only to purchases by Existing Tenants of the Units (apartments) occupied or leased by them. However, Existing Tenants as of the Filing Date may, if they wish, enter into Purchase Agreements for vacant Units or Units occupied by another, as if they were non-occupants of the Building. Sponsor is under no obligation to accept Purchase Agreements from Existing Tenants for vacant Units or Units occupied or leased by others.

During the Exclusive Period, no Unit subject to a Lease held by an Existing Tenant will be shown to any prospective non-tenant purchaser unless the Existing Tenant has, in writing, waived his right to purchase such Unit.

The offer made in this Plan to tenants in occupancy on the date the Plan is accepted for filing shall be personal to such tenants and shall not extend to any tenant's testamentary beneficiaries or to any tenants' estate or the executor(s) thereof.

Existing Tenants may not assign or transfer their Purchase Agreements unless they obtain the prior consent of Sponsor, which consent shall be given only in accordance with the terms set forth in the section entitled "Assignment of Purchase Agreement by Existing Tenant."

The By-Laws of the Condominium provide that Non-Purchasing Tenants will be notified in writing of changes in ownership of the Units they occupy, within 30 days after any such change in ownership, by registered or certified mail, return receipt requested.

If prior to the effective date of the Plan or the expiration of an Exclusive Period which began prior to effectiveness, whichever is later, Sponsor amends the terms or conditions of this offering so as to be more favorable to Tenant-Purchasers, an Existing Tenant who executed and

submitted a Purchase Agreement before Sponsor amended the Plan will be entitled to benefit from the more favorable terms and conditions.

The Plan will not be declared effective and will be abandoned unless, within fifteen months from the Filing Date, written Purchase Agreements have been executed and delivered to Sponsor for at least fifteen (15%) percent of all Units in the Building by *bona fide* tenants in occupancy or *bona fide* purchasers who represent that they intend that they or one or more members of their immediate families occupy the Residential Unit when it becomes vacant. As to Existing Tenants who were in occupancy on the Filing Date, the Purchase Agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements. Existing Tenants who are relatives, business associates or affiliates of Sponsor will not be included in the computation unless they are pre-existing *bona fide* tenants in occupancy on the Presentation Date.

If the Plan is substantially amended after the Presentation Date but prior to the First Unit Closing, the time periods set forth above shall be extended, if applicable, from the date on which the amendment is presented to the Existing Tenants ("Amendment Presentation Date"), as follows:

> If the Amendment Presentation Date occurs during the 90-day Exclusive Period, such Exclusive Period shall terminate not less than 30 days after the Amendment Presentation Date; and
>
> If the Amendment Presentation Date occurs at any time after the 90 day Exclusive Period has expired, but prior to the First Unit Closing, then for 30 days after such Amendment Presentation Date, an Existing Tenant shall have the exclusive right to purchase on the amended terms.

A substantial amendment is defined as an amendment which contains terms which are materially beneficial to any tenant-purchasers, such as: change from an eviction to a non-eviction plan; decrease in the offering price to tenants; significant increase in the working capital or reserve fund; agreement by Sponsor to make additional repairs or improvements, or to repurchase apartments; or the offer of new or better terms to tenants for financing the purchase price of an apartment.

In the event of a material amendment to this Plan prior to the First Unit Closing which adversely affects purchasers, each Purchaser will have the right to rescind his Purchase Agreement within fifteen days from the date of presentation of such amendment upon written notice to Sponsor. In the event of any such cancellation, any payments made by that person under his Purchase Agreement will be returned to that person without interest, unless the monies are held in an interest-bearing account in which event the shall be returned with the interest accrued, and that person will have no further rights or obligations thereunder. It is currently contemplated that such payments will be held in interest-bearing accounts.

Sponsor will not show a Unit to prospective purchasers during the 90 days Exclusive Period if the Unit is occupied by the person who was the tenant thereof on the Presentation Date. However, if the Existing Tenant waives his right to purchases the Unit in writing, the Selling Agent may exercise whatever right Sponsor may have under the existing lease or then applicable law to show that Unit to prospective purchasers and also to accept a Purchase Agreement from any prospective purchaser, subject to any rights afforded to the Existing Tenant by the Rent Laws, Section 352eeee or subsequent amendments to this Plan.

Any Purchase Agreement relating to an occupied apartment will be subject to cancellation in the event the tenant of the subject apartment purchases during any period in which he has the exclusive right to purchase.

It should be noted that non-purchasing tenants in occupancy may be subject to increases in rent in the event that major capital improvements are made to the property. Such rent increases are granted by the New York State Division of Housing and Community Renewal, which has indicated that it will not grant any such increase if money from the Condominium's Local Law 70 Reserve Fund is used to pay for the major capital improvement.

On the 30th, 60th, 88th and 90th days after the Presentation Date, at least once every 30 days thereafter until the Plan is declared effective or is abandoned, and on the tenth day and second day preceding the expiration of any exclusive purchase period, Sponsor will file a written statement under affirmation with the Attorney General's Office setting forth the percentage of the Residential Units subscribed for by Existing Tenants or *bona fide* purchasers who represent that they or one or more members of their immediate families intend to occupy the Residential Unit when it becomes vacant. Sponsor will also arrange to have a copy of the statement posted in a prominent place in the Building accessible to all Existing Tenants before noon on the day such statement is filed.

If the Plan is not declared effective within fifteen months of the Filing Date, it will be declared abandoned. In that event (or upon the earlier abandonment of the Plan) Existing Tenants of apartments which are then subject to the RSL and the Code whose leases expire shall have the right to demand leases on the terms and conditions set forth in the RSL and the Code, subject to the provisions of the Rent Regulation Reform Act of 1997 (which affects the rights of certain tenants to obtain renewal leases), and will continue to be subject thereto. If this Plan is abandoned, no new plan may be presented for twelve months after the date of abandonment. As of October 1, 2005, the rent increase guidelines in effect are 2.75 percent for one-year renewals and 5.5 percent for two-year renewals.

No eviction proceeding will be commenced at any time against non-purchasing Existing Tenants for failure to purchase or any other reason applicable to expiration of their tenancy, provided however, such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the apartment of such Existing Tenant, refusal of reasonable access to the owner, maintaining hazardous, illegal or nuisance conditions in the Unit or a similar breach by the non-purchasing Existing Tenant of his obligations to the owner of the Unit, or if a tenancy expires

pursuant to the provisions of the Rent Regulation Reform Act of 1997; and provided further that an owner of a Residential Unit may not commence an action to recover possession of the Residential Unit from a non-purchasing Existing Tenant on the grounds that he seeks the Residential Unit for the use and occupancy of himself or his family.

Non-purchasing Existing Tenants who reside in Residential Units subject to governmental regulation as to rentals and continued occupancy prior to the conversion of the Property to condominium ownership shall continue to be subject thereto to the extent that such governmental regulations apply to the Property subsequent to the conversion.

The rentals of non-purchasing Existing Tenants who reside in Residential Units not subject to governmental regulation as to rentals and continued occupancy and non-purchasing Existing Tenants who reside in Residential Units with respect to which governmental regulations of rentals and continued occupancy is eliminated or becomes inapplicable after the Filing Date of this Plan shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses. Complaints concerning such increases may be referred to the New York State Department of Law, Investment Protection Bureau, 120 Broadway, New York, New York 10271.

The Plan may not be amended at any time to provide that it shall be an eviction Plan.

All of the residential apartments are subject to Section 352-eeee of the General Business Law. There are 58 residential apartments in the Building that are subject to the Rent Stabilization Law now administered by the Division of Housing and Community Renewal of the State of New York ("DHCR") pursuant to the Omnibus Housing Act of 1983, as such laws were amended by the Rent Regulation Reform Act of 1997 affecting certain lease renewals (such laws are hereinafter sometimes referred to as the "Rent Laws"). Tenants occupying those residential apartments as a residence are therefore either "stabilized" or "controlled" tenants and their rights are protected by the Rent Laws. At the expiration of his present lease and each renewal thereof, a rent-stabilized tenant may demand and, if he wishes to remain in possession, must sign a renewal lease at an increased rent determined in accordance with the Rent Stabilization Code, except that, under the Rent Regulation Reform Act of 1997, apartments may be "deregulated" under the circumstances described in the following sentence whereby the tenant(s) thereof may no longer have the right to obtain renewal leases. The circumstances resulting in deregulation are: (a) the apartment having a rental of more than $2,000 per month; (b) the apartment having a household income which exceeded $175,000 per year for each of the two most recent years; (c) landlord having applied to DHCR for an order of deregulation; and (d) DHCR having issued an order of deregulation. Present tenants of the Building are under no legal obligation to purchase their apartments. The rights granted to purchasers under the Plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, Section 352-eeee of the General Business Law.

Sponsor has elected to present this Plan as a "non-eviction plan" under Section 352-eeee of the General Business Law. Accordingly, a tenant in occupancy of a dwelling unit in the Building at the date this Plan is accepted for filing has the right to remain in occupancy of the dwelling unit even if the unit is sold to any other person, as long as the tenant in occupancy is not in default of his obligations under his lease or tenancy, and is otherwise entitled to remain in possession. Under present law, tenants in occupancy of dwelling units are under no obligation to purchase their dwelling units in order to retain rights of continued occupancy. Such non-purchasing tenants shall continue to have the right to have their rent increases limited in accordance with rent stabilization guidelines. The management agreement of the Condominium and Purchase Agreements submitted by purchasers of apartments occupied by non-purchasing tenants will contain provisions to the effect that non-purchasing tenants will be provided with all services and facilities required by law on a non-discriminatory basis.

GBL-352-eeee also provides for the following:

> An offering plan may not be accepted for filing if an excessive number of long-term vacancies exist on the date the offering plan is first submitted for review to the Department of Law. Long term vacancies are apartments not leased or occupied by *bona fide* tenants for more than five months prior to the date of such submission. Excessive means a vacancy rate in excess of the greater of (x) ten percent or (y) a percentage that is double the normal average vacancy rate for the building or group of Building or development for two years prior to the January preceding the date of the submission.

It shall be unlawful for any person to engage in any course of conduct (including, but not limited to, interruption or discontinuance of essential services) which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his apartment or the facilities related thereto. A tenant may apply to the Attorney General for a determination that such conduct does exist or has taken place. The Attorney General may also apply to a court of competent jurisdiction for an order restraining such conduct, and if he deems it appropriate, an order restraining the owner from selling the apartment or from proceeding with the Plan.

All apartments occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other apartments in the building. The managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-

discriminatory basis. Sponsor shall guarantee the obligation of the Managing Agent to provide all such services and facilities until such time as Sponsor surrenders control of the Board of Managers.

Tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the Plan to the Department of Law, during normal business hours, upon written request made by them to Sponsor, provided such representatives are registered architects or professional engineers licensed to practice in the State of New York.

If there is any inconsistency between the terms of this Plan, on the one hand, and GBL-352-eeee, on the other hand, the terms and provisions of GBL-352-eeee shall prevail to the extent of such inconsistency as if those statutes and regulations were set forth above in the Plan verbatim, so that all requirements of GBL-352-eeee applicable to the Plan are met hereby.

Lead Paint.

All prospective purchasers are hereby advised that, pursuant to regulations promulgated by the U.S. Department of Housing and Urban Development (24 CFR Part 35) and the Environmental Protection Agency (40 CFR Part 745) in accordance with Section 1018 of the Residential Lead Paint Hazard Reduction Act of 1992, each purchaser has the right to make his obligations under his Purchase Agreement contingent on a ten-day period to perform a risk assessment or inspection in the Unit and the Premises for lead-based paint and/or lead-based paint hazards ("Risk Assessment").

Pursuant to the aforementioned laws and regulations, each purchaser will be required to acknowledge having been advised that: (i) exposure to lead from lead-based paint may place young children at risk of developing lead poisoning; (ii) lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory; and (iii) lead poisoning also poses a particular risk to pregnant women.

Sponsor does not have any actual knowledge of any lead-based paint or lead-based paint hazards in any Unit or in the Premises, and does not have any actual knowledge of any records or reports regarding any lead-based paint (or absence thereof) in the Unit or in the Premises. However, since the Premises were constructed prior to 1980, it is possible that either the Premises or any Unit may contain lead-based paint and/or lead-based paint hazards. Sponsor has not undertaken and will not undertake any separate investigation or Risk Assessment as to the presence of lead-based paint and/or lead-based paint hazards in the Premises and/or in any Unit.

Each Purchaser will be required to represent that he has either (a) performed a Risk Assessment or inspection prior to the execution of his Purchase Agreement, or (b) waived his right to do so and any attendant rights he otherwise may have had to cancel his Purchase

Agreement for reasons related to the presence, if any, of lead-based paint and/or lead-based paint hazards. By virtue of such waiver, each such purchaser will assume all risks, if any, arising from or relating to lead-based paint and/or lead-based paint hazards in any Unit or in the Premises.

A copy of the pamphlet entitled "Protect Your Family From Lead in Your Home" appears in Part II of this Plan as Exhibit L. Each purchaser will be required to acknowledge receipt of a copy of that pamphlet.

A copy of the Disclosure Form with respect to lead-based paint and/or lead-based paint hazards appears in Part II of this Plan at the end of the form of Purchase Agreement (Exhibit A). Each purchaser will be required to complete, execute, and submit that form at the same time he tenders an executed purchase agreement.

In addition to the above-described federal law for all buildings erected prior to January 1, 1960, Local Law 1 of 2004 of the City of New York requires an annual lead paint inspection to be performed in each Residential Unit where a child under the age of seven is known to reside, and further requires a lead paint inspection to be performed in a Residential Unit upon its vacancy. If a lead paint hazard (*i.e.*, chipping or peeling lead paint or deteriorating sub-surfaces) is discovered upon any such inspection, then the hazard must be removed in compliance with law (*i.e.*, proper removal of paint chips and peeled paint, and painting over any exposed area) which work, in the case of a vacancy, must be performed prior to any new occupancy of the unit. Records of all such inspections and remedial actions must also be kept.

In the case of a condominium, the above-described obligations and responsibilities do not apply to condominium units occupied by the owners thereof. However, Unit Owners will be responsible to fulfill the above-described obligations under Local Law of 2004 in the event that a Unit Owner leases his or her Unit.

Each purchaser will be required to acknowledge that, pursuant to the Condominium's By-Laws, the Unit Owner (*e.g.* Purchaser) is responsible for compliance with laws and regulations regarding lead paint hazards.

OBLIGATIONS OF OWNERS OF RESIDENTIAL UNITS OCCUPIED BY NON-PURCHASING TENANTS

The occupied Residential Units in the Building are subject to leases, some of which are subject to the Rent Laws. The leases of non-purchasing Existing Tenants will not be affected by the conversion of the Building to condominium ownership. Moreover, non-purchasing Existing Tenants have certain rights to renew their apartment leases, subject to the provisions of the Rent Regulation Reform Act of 1997.

Consequently, a purchaser of an occupied Residential Unit will obtain title to the Unit subject to: (a) the lease for the Residential Unit; (b) any existing statutory tenancy or occupancy of the Residential Unit; (c) all of the rights of any Existing Tenant of any Residential Unit (who has not purchased his Residential Unit) afforded by the RSL, the Code, and GBL-352-eeee, including the right (among others) to continue to reside in their Residential Units without having any eviction proceedings or lease termination proceedings commenced against them at any time other than for nonpayment of rent, illegal use or occupancy of the premises, refusal of access to the owner or similar breach of their obligation to the owner of their Unit, or if a tenancy expires pursuant to the provisions of the Rent Regulation Reform Act of 1997; and (d) any applicable federal laws, regulations and rules limiting or controlling rent and occupancy terms and the landlord's rights to evict tenants or other occupants now existing or hereinafter enacted. A Purchaser of a Unit occupied by a tenant whose lease is subject to the Rent Laws will also be responsible to register the Unit annually with the Division of Housing and Community Renewal.

If a Residential Unit is purchased by someone other than the tenant or occupant thereof, the tenant or occupant will become the Unit Purchaser's tenant on the Unit Closing Date and the Unit Purchaser will become such tenant's landlord.

A Unit Purchaser who acquires an occupied Residential Unit will be required to pay the amounts due as common charges, special assessments and real estate taxes for that Residential Unit, whether those expenses are greater or less than the rent payable or received by the Unit Purchaser from the Existing Tenant, and shall also bear all litigation costs, fees and any dues related to the tenancy. By reason of the Rent Laws and GBL-352-eeee, the Unit Purchaser will also be responsible for the due performance of all of the obligations of the landlord under the lease of the Existing Tenant, and will also have the obligation to provide to the Existing Tenant all services required by law to the extent applicable, including the obligation to make all repairs to the Unit which are not the responsibility of the Board of Managers. Those services may include, but are not limited to, painting, repairs to interior plumbing and wiring and replacement (when needed) of fixtures, appliances, doors, hardware and windows. While Sponsor is in control of the Board of Managers, Sponsor will guarantee that said services will be provided if required by applicable law.

In order to assure the fulfillment of a Unit Purchaser's obligations to the Existing Tenant of an occupied Residential Unit under GBL-352-eeee, the Unit Owner shall execute an agreement at the closing of such occupied Residential Unit irrevocably appointing the managing agent for the Condominium as his agent to perform for the account and at the expense of Unit Purchaser all services required to be furnished or performed by a landlord under the non-purchasing Existing Tenant's lease and the laws and regulations specified above that are not to be provided by the Condominium (including, but not limited to interior repairs and apartment painting). In addition, a Unit Owner (but not Sponsor, Sponsor-affiliate or a Holder of Unsold Units) shall be required to deposit with the Managing Agent at such Unit closing an amount equal to the greater of (i) two months' common charges, or (ii) two months' rent for the Residential Unit to be used as working capital to furnish the services required under the non-purchasing Existing Tenant's lease and the

laws and regulations specified above. The fund shall be replenished by the Unit Purchaser within 30 days after receipt of written notice from the Managing Agent that the amount on deposit has been reduced by more than one month's common charges, and the failure of the Unit Purchaser to replenish the fund timely shall result in a lien being filed against the Unit by the Board of Managers, on behalf of all Unit Owners.

Any person interested in purchasing a Residential Unit in which he does not reside is urged to examine any lease pertaining to the Residential Unit, verifying not only the expiration date of the lease (or any renewal thereof) and the obligations of the landlord thereunder, but also the rent currently payable for the Residential Unit. That rent may be more or less than the common charges and the real estate taxes that will be payable by the Unit Purchaser for the Unit after such Closing Date.

IT IS ALSO RECOMMENDED THAT EVERY PURCHASER OF AN OCCUPIED RESIDENTIAL UNIT CONSULT AN ATTORNEY IN ORDER TO BECOME FULLY APPRAISED OF THE EFFECT OF GBL-352-eeee ON HIS RIGHTS AS A PURCHASER AND HIS OBLIGATIONS TO ANY EXISTING TENANT OR OCCUPANT.

A purchaser of a Residential Unit subject to a lease will be entitled to receive from Sponsor the unapplied portion of any security deposit held under the terms of the lease. Said purchaser will be required to execute an agreement, in form approved by counsel to Sponsor, indemnifying Sponsor from any liability therefor. Such security must be held by the Unit Purchaser in a special, interest-bearing bank account in accordance with Section 7-103 of the New York General Obligations Law.

In the opinion of counsel to Sponsor, the Plan complies with the Rent Laws, and GBL-352-eeee, as those laws are in effect on the Presentation Date. No representation or warranty is made that the Attorney General, the New York City Department of Housing Preservation and Development, the New York State Division of Housing and Community Renewal, or any other governmental authority, or any court will so hold, and in no event will Sponsor, counsel to Sponsor, the Managing Agent, or anyone else be liable if, for any reason, it shall be determined that the Plan does not so comply or at any future time ceases to so comply with, or does not meet the requirements of any portion thereof.

No warranty is made that the Rent Laws and GBL-352-eeee will (or will not) continue to apply to the Property or to the Plan, or that there will or will not be any further amendments to the Rent Laws, or GBL-352-eeee or other applicable law, regulation or code, the Plan may be amended to reflect the amended law, regulation or code, as the case may be.

Neither Counsel to Sponsor nor Sponsor makes any representation or statement of any kind as to the requirements of the Rent Laws, and GBL-352-eeee or any other law, regulation or code, except as specifically set forth herein with respect to the Plan.

Real Property Law ("RPL") Section 339-kk

Real Property Law Section 339-kk was enacted into law on July 22, 1998 and is applicable to all condominium in the state of New York. The section is intended to provide additional financial protection for a condominium association if a sponsor or other non-occupant unit owner fails to make monthly payments for common charges, assessments and other amount owed in connection with such owner's unit(s).

Section 339-kk provides in pertinent part, as follows:

a. If a unit owner who does not occupy the unit rents any dwelling unit and then fails to make payments due for common charges, assessments or late fees for such unit within 60 days of the expiration of any grace period following the earliest date payment is due, then, upon notice from the Board of Managers as described below, all rental payments due from the tenant shall be payable directly to the condominium.

b. If common charges, assessments or late fees due for any unit have not been paid in full within 60 days after the expiration of any grace period following the earliest date they were due, the Board of Managers shall provide written notice to the tenant and to the non-occupying owner providing that commencing immediately, and continuing until such time as all payments for common charges, assessments and/or late fees are made current, all rental payments due subsequent to the issuance of such written notice are to be made payable to the condominium. Where a majority of the Board of Managers has been elected by and from among the unit owners who are in occupancy of their units, the Board may elect not to require that rental payments be made payable to the condominium.

c. 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 by the Board of Managers within three business days to the rental tenant and non-occupying owner. Thereafter, all rental payments for the unit shall be made payable to the non-occupying owner or to said non-occupying owner's designated agent.

d. A non-occupying owner who disputes the Board of Manager's claim to a rental payment pursuant to this law 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 30 days of the date that the Board receives notice that the owner seeks to dispute such claim.

e. Payment by a rental tenant to the condominium made in connection with said section shall relieve the 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.

f. Nothing in the statute shall limit any rights of unit owners or the Board of Managers existing under any other law or agreement.

Section 339-kk does not address a number of issues. Accordingly, Sponsor makes no representation as to (i) the section effect on the lien priority of a loan make to a non-occupant unit owner and secured by the unit, (ii) the effect on an assignment of leases and rents given by a non-occupant owner to a mortgagee in connection with a mortgage granted with respect to a unit,. (iii) the Condominium's remedies if a tenant fails or refuses to make payments of rent to the Condominium Board after receipt of notice from the Condominium Board(in accordance with RPL Section 339-kk), or (iv) the consequence of the Condominium Board's failure to give notice to a tenant and whether or not such failure will be deemed a waiver of the Condominium Board's rights. Finally, no representation is made about the tax consequences of the exercise of Section 339-kk.

In Paikoff v. Harris, 178 Misc. 2d 366, 679 N.Y.S. 2d 251 (1998) ("*Paikoff*"), the Civil Court in Kings County held that a tenant who rents an apartment in a cooperative from the sponsor of an offering plan, after the closing under the plan and the issuance to that sponsor of the stock allocated to such apartment, qualifies as a "non-purchasing tenant" as that term is used in General Business Law section 352-eeee, and that, as such, said tenant is entitled to the offer of a renewal lease (when his lease expires) without an unconscionable rent increase. The *Paikoff* decision was modified, but affirmed, on appeal by the Appellate Division, Second Department. Subsequently, in Park West Village Associates v. Chiyoko Nishoika, 721 N.Y.S. 2d 459 (2000), the First Department held that persons who enter into possession of a unit subsequent to the effective date of plan, are not entitled to the protections of sections 352-eeee of the GBL and, therefore, a landlord is not required to offer such persons a renewal lease. Due to the these conflicting rulings the state of the law on this issue is remains unsettled at this time.

INTERIM LEASES

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, Sponsor shall only lease the Unit to the Purchaser thereof.

The term of such interim leases will expire in one year from the possession date or on the Closing Date, whichever is earlier. In addition, 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 Residential Unit in accordance with his lease, or (ii) terminate such lease and vacate the Residential Unit as of the last day of any month on not less than 30 days' prior written notice to Sponsor. As security for the interim lease, Sponsor reserves the right to increase the Contract Deposit (as defined in the Section entitled Procedure to Purchase) to twenty (20%) percent of the Purchase Price.

All such interim leases executed by a Unit Purchaser will provide, among other 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 (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 Sponsor may utilize any such default under the interim lease to declare a default under the Purchase Agreement, either: (i) 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 an interim lease is terminated by Sponsor upon a default under such lease or a Purchase Agreement, the interim lessee shall have 30 days in which to vacate the Residential Unit.

Sponsor does not presently offer the right of rescission of a Purchase Agreement. However, should such right be offered in the future, and be accepted by Purchaser who is an interim lessee, then the Purchaser will be required to surrender possession of the apartment and leave the same vacant and broom clean within 30 days thereafter. If Purchaser fails to timely vacate, Purchaser will be liable for all expenses including legal fees and court costs incurred in any proceeding to remove the Purchaser from the apartment. He must also pay any rent due under his Interim Lease. Nothing contained herein shall relieve any Purchaser of liability for damage caused to the apartment or any liability under the Purchase Agreement.

The rent payable for any such Unit and other terms under an interim lease will be negotiated by 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, Purchasers of Units will not be able to claim the income tax deductions described in the Plan. Such deductions may become available only when and if (a) the Plan is declared effective, and title to the Units has been conveyed to Purchasers hereunder and (b) the conditions set forth in the Attorney's Income Tax Opinion have been met, and then only for the period subsequent to the Closing Date of such Unit. **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

A prospective Purchaser desiring to purchase a Unit will be required to execute a Purchase Agreement in quadruplicate (four original counterparts), which will be in the form set forth in Part II of the Plan.

Prospective Purchasers shall be given not less than three days to review the Plan and all amendments thereto prior to executing a Purchase Agreement. If a Purchaser has not received and read the Plan at least three full business days prior to executing a Purchase Agreement, a Purchaser shall have the right to rescind the Purchase Agreement within seven days from the date of the Purchase Agreement. The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by each prospective Purchaser. Prospective Purchasers should be aware that if any conflict exists between the Plan and the Purchase Agreement, the provisions of the Plan shall control. Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on Purchaser obtaining financing for such purchase, unless otherwise agreed to by Sponsor.

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

If a Purchase Agreement is not accepted by Sponsor within the aforesaid 30-day period, the Purchase Agreement shall be deemed to have been rejected and cancelled and the Contract Deposit shall be returned to Purchaser within 30 days thereafter. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan and without the consent of the Condominium Board, to refuse to approve and execute (a) a Purchase Agreement for any Unit, except as prohibited by law, and (b) a Purchase Agreement(s) for more than one Unit to any one person or entity.

The Purchase Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23-A of the General Business Law of the State of New York. At the time of execution of a Purchase Agreement, a Purchaser is required to make a Contract Deposit in an amount equal to ten (10%) percent of the purchase price. All Contract Deposits must be made payable to the direct order of "Goldberg, Weprin & Ustin, LLP, Escrow Agent." All checks delivered in payment of the Contract Deposit shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement cancelled and of no further force or effect.

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

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

TIME IS OF THE ESSENCE TO PURCHASER AS TO PURCHASER'S OBLIGATIONS PURSUANT TO THE PURCHASE AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF THE BALANCE OF THE PURCHASE PRICE. FUNDS DRAWN ON OUT-OF-STATE OR FOREIGN BANKS WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE FOR A UNIT.

In the event of any default by Purchaser under his Purchase Agreement, and if Purchaser does not cure such default within 30 days after Sponsor gives notice to the Purchaser of default, Sponsor may, at its option, either (a) cancel such Purchase Agreement and retain the Contract Deposit made by Purchaser, together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate, or (b) bring an action against Purchaser for specific performance. A Purchaser will receive at least fifteen days' prior notice of the originally scheduled Closing Date and, in the event Purchaser fails to close on the designated date, then Purchaser will have a 30-day period after notice within which to cure, time being of the essence, such default, following which Sponsor shall have the remedies set forth above.

If a Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date: (a) the closing apportionments described in the Section entitled "Unit Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) a Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.05 percent of the purchase price of his Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

Prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent which consent may be withheld in Sponsor's sole and absolute discretion.

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

Commencing on the date of the Closing of each Unit, Purchaser will become obligated for the payment of Common Charges in proportion to the Purchaser's Common Interest, real estate taxes and assessments (including water charges and sewer rents, if separately assessed) and all other expenses with respect to his Unit, whether or not he has taken possession of his Unit, and whether or not all work required to be performed by anyone in or to his Unit has been completed.

The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit, at which time such risk shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of damage or destruction of a Unit due to a fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive credit against, or abatement in, the purchase price for the subject Unit. In such event Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws, or the Declaration, specifically the Section entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws"), the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return Purchaser's Contract Deposit to Purchaser, whereupon the parties to the Purchase Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

At closing, each Unit will contain only those appliances, counter-tops, cabinets, sinks, vanities, heating, hardware and other fixtures, equipment and appliances, either as the same presently exist, to be installed therein, or if otherwise agreed, as set forth in this Plan. Each Unit is being sold unfurnished. All fixtures, equipment and appliances will be in working order at closing unless otherwise agreed in writing.

The Units are being sold in the "AS IS" condition in which they exist at the time a Purchaser signs a Purchase Agreement, subject to ordinary wear and tear. Each Purchaser should examine the Unit prior to executing a Purchase Agreement and again, prior to closing.

ESCROW AND TRUST FUND REQUIREMENTS

All Contract Deposits will be held in escrow in conformity with the disclosure contained in this Section of the Plan.

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

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

All Contract Deposits made by Purchasers prior to the closing of each individual transaction, whether received before or after the date of "consummation of the Plan" (as such term is defined in the Attorney General's regulations), will be placed, within five business days after a Contract is executed by Sponsor, in a segregated special escrow account of Goldberg, Weprin & Ustin, LLP, the escrow agent (the "Escrow Agent"), whose address is 1501 Broadway, New York, New York 10036, and whose telephone number is (212) 221-5700. Escrow Agent has established a master escrow account at Sterling National Bank, 512 Seventh Avenue, New York, NY Escrow Account No. [redacted] (the "Master Escrow Account"). All Contract Deposits will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. Andrew W. Albstein, Arnold Mazel, Mark E. Kaufman, Steven Uffner, Iris Albstein and Lisa R. Radetsky are the signatories on the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status), as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Contract Deposit and the Purchase Agreement. If a Contract Deposit is accompanied by a completed and signed Form W-9 or Form W-8, the Contract Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8, the Contract Deposit will remain in the non-interest bearing checking portion of the Master Escrow Account. At such time as the Contract Deposit is released, the Contract Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon. North Fork Bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. The following are special risks applicable to Contract Deposits received hereunder: (i) if a Purchaser makes a Contract Deposit in excess of $100,000 for the purchase of a Unit, such Contract Deposit will not be

federally insured in excess of $100,000; and (ii) while the Contract Deposit is in the non-interest bearing checking portion of the Master Escrow Account, the Contract Deposit may not be federally insured even if the Deposit does not exceed $100,000.

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

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

If a Purchaser tenders a Contract Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Contract Deposit and return it to Purchaser: (i) within five business days after tender, if the Contract Deposit has not been deposited into escrow, and (ii) at any time, if the Contract Deposit has been deposited into escrow.

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-account portion of the Master Escrow Account will be interest-bearing. All interest will be credited to a purchaser at such time as:(i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Contract Deposit. All interest will be credited to Sponsor only in the event that: (i) the Plan is declared effective, (ii) a minimum of one unit has been conveyed to a Purchaser, and (iii) Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts which currently is approximately 1.00 percent. Interest will begin to accrue within: (i) one business day, if the Contract Deposit is cash or cash equivalent, or (ii) three business days, if the Contract Deposit is other than cash or cash equivalent, of the transfer of the Contract Deposit from the checking account portion of the Master Escrow Account into the sub-escrow savings account portion of the Master Escrow Account.

All instruments shall be made payable directly to the order of "Goldberg, Weprin & Ustin, LLP, Escrow Agent." Endorsed instruments will not be accepted. In the event a check delivered by a Purchaser fails collection, the Purchase Agreement will be deemed void *ab initio* (as if the Purchase Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within five business days of Sponsor receiving notice from Escrow Agent of such failure of collection.

Within ten business days after tender of the Contract Deposit, Escrow Agent will notify Purchaser that such funds have been deposited into escrow and will provide the account number and the initial interest rate, if any. If Purchaser does not receive notice of such deposit within fifteen business days after tender of the Contract Deposit, Purchaser may cancel the Purchase Agreement and rescind so long as the right to rescind is exercised within 90 days after tender of the Contract Deposit. Rescission may not be afforded where

proof satisfactory to the Attorney General is submitted establishing that the Contract Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations.

Since all Purchase Agreements are contingent upon the Plan becoming effective, under no circumstances will Sponsor apply for release of the Contract Deposit of a defaulting Purchaser until after "consummation of the Plan."

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

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

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

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

If there is no written agreement between the parties to release the Deposit, Escrow Agent will not pay the Contract Deposit to Sponsor until Escrow Agent has given Purchaser written notice of no less than ten business days. Thereafter, the Contract Deposit may be paid to Sponsor unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the regulations and has so notified Escrow Agent in accordance with such provisions and Escrow Agent has received such notice.

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

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

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

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

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

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

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

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

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

Sponsor has agreed to compensate Escrow Agent for services rendered in connection with Escrow Agent's duties under the escrow agreement. Escrow Agent's fees and disbursements will neither be paid by Sponsor from the Contract Deposit nor deducted from the Contract Deposit by any financial institution under any circumstance, except if an instrument tendered by a Purchaser is returned for failure of collection, in which event the Bank's standard fee therefor may be deducted from a subsequent deposit.

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

Before escrow funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternate form of security.

ASSIGNMENT OF PURCHASE AGREEMENT BY EXISTING TENANT

The rights of a Purchaser under his/her Purchase Agreement are not assignable to any party unless and until the express prior written consent of Sponsor is obtained. In the event Sponsor consents to or authorizes the assignment by a tenant purchaser (a purchaser who is an Existing Tenant) of his/her Purchase Agreement, that Purchase Agreement will be counted toward

effectiveness only if: (i) an amendment to this Plan states conditions for such consent or authorization which are specific and reasonable and applied on an objective and non-discriminatory basis (*i.e.*, a uniform policy); and (ii) Sponsor receives a purchase agreement signed by the Existing Tenant together with the full Contract Deposit and an affidavit stating that the assignee was not procured by Sponsor, the Selling Agent, or the Managing Agent, and that the assignee intends that he or she or a specified member of his or her immediate family will personally occupy the dwelling unit (the form of which will be attached to said amendment).

A Purchaser does not have the right to assign the Purchase Agreement without the prior written consent of Sponsor. Any purported assignment by a Purchaser in violation of the Purchase Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle a Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, then the Purchaser shall be required to pay Sponsors attorneys a fee of $450, in advance, for preparation of an assignment agreement.

EFFECTIVE DATE

The offering by Sponsor under the Plan is contingent upon the Plan being declared effective and the First Unit Closing shall not occur until the Plan has been declared effective. The Plan may be declared effective, at Sponsor's option, at any time when *bona fide* purchasers, including investors, have executed Purchase Agreements with respect to not less than fifteen (15%) percent of the Residential Units offered under the Plan. The Plan must be declared effective at such time as Purchase Agreements have been executed and are in effect with respect to 80 percent of the Residential Units offered under the Plan. The Plan may be declared effective by (a) a duly filed amendment and a copy of such amendment will, thereafter, be sent to all Purchasers or (b) by personal service of notice on every Purchaser or by service by regular mail, certified mail or registered mail stating that the Plan is declared effective and submitting an amendment to the Department of Law within five days thereafter confirming that the Plan was declared effective on a specified date. The first unit closing will not occur until the Plan is declared effective. Sponsor will submit to the Department of Law, if requested to do so, copies of all Purchase Agreements (and any amendments or modifications thereto) within five business days after such request is made.

The Plan will not be declared effective based on Purchase Agreements: (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) signed by Purchasers who have not been afforded no less than three business days to review the Plan and all filed amendments prior to executing a Purchase Agreement or no less than seven days to rescind; or (iii) signed by any Purchaser who is Sponsor, the Managing Agent or a principal of either, or is related by blood, marriage or adoption or as a business associate, an employee, a shareholder, a member or a partner of Sponsor, the Selling Agent, the Managing

Agent or a principal of either (except that such a Purchaser other than Sponsor or a principal thereof may be counted only if Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is *bona fide*).

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

Once the Plan has been declared effective, it may not thereafter be abandoned or withdrawn, except that, prior to the First Closing, the Plan may, at the option of Sponsor, be abandoned in the event of: (l) the existence of one or more title defects (including violations of record or work orders of a mortgagee or insurance carrier) affecting any one or more Units or the Property that cannot be removed, cured or complied with prior to the date set for the First Closing, without litigation, or for less than 0.5 percent of the total offering amount in the aggregate, and which are not waived by the Purchasers thereof; or (2) substantial damage to or destruction of the Building (or any portion thereof) by fire or other casualty that cannot be repaired prior to the date set for the First Closing for less than 0.5 percent of the total offering amount in the aggregate; or (3) a taking of a material portion of the Property in condemnation proceedings or by eminent domain. Excluded from the dollar amounts set forth in (1) above are attorneys fees and amounts related to title defects or determinations of any authority or regulatory association which exist on the Filing Date of the Plan and are either known to Sponsor or are a matter of public record.

In the event the Plan is withdrawn or abandoned, all Contract Deposits will be returned to Purchasers within 30 days following such withdrawal or abandonment. Upon the return or retention of the Contract Deposits, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers under the Plan or the Purchase Agreements. Sponsor shall promptly submit an amendment to the Department of Law confirming such abandonment or withdrawal and shall file a notice of abandonment on form RS-3 or such other form as the Department of Law may require and explain the reason for the abandonment and the disposition of all Contract Deposits received.

TERMS OF SALE

The Closing of each Unit shall be held at the offices of Sponsor's attorneys, or at such other place as Sponsor may designate on not less than 30 days' prior notice. The Closing of each Unit shall take place only after or concurrently with the following events:

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

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

(c) the release of the Unit and its appurtenant interest in the Common Elements from the lien of all mortgages, if any;

(d) the delivery to Purchaser of written notice of the time and place of the Closing to his Unit at no less than 30 days prior to the Closing Date specified therein, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine his Unit and the Property, during normal business hours and in the company of Sponsor's agent, prior to Closing;

(e) the execution and delivery by Sponsor of a bargain and sale deed with covenants against grantor's acts (which deed shall be substantially in the form set forth in Part II of the Plan) conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances;

(f) the execution and delivery by Purchaser of the Unit Owner Power of Attorney, the form of which is set forth in Part II of the Plan;

(g) if Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's sole expense) of a policy of title insurance in at least the amount of the purchase price of the Unit, insuring that (i) Purchaser has fee title to his Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions, (2) liens and encumbrances (other than Permitted Encumbrances) to which title of his Unit is subject as set forth herein, which have been expressly accepted by Purchaser by Purchaser's execution of a Purchase Agreement, and (3) any mortgage and related security documents that Purchaser executes in connection with the financing of the purchase price of his Unit and (ii) the Condominium has been validly created pursuant to the Condominium Act; and

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

In the event of the existence of any lien or encumbrance other than Permitted Encumbrances, the sole remedy of Purchasers under the Plan will be to rescind their respective Purchase Agreements within fifteen days after receipt of notice or an amendment disclosing such lien or encumbrance. A Purchaser electing to proceed with the purchase of his Unit will not be entitled to any credit against, or abatement of, the purchase price set forth in his Purchase Agreement and will have no claim or right of action against Sponsor by reason thereof. Sponsor has no obligation to institute any action or proceeding or to expend any sum of money to make title marketable or to eliminate any encumbrances or title defects, except to incur expenses up to the aggregate amount of 0.5 percent of the total offering amount in respect of any one or more Units or the Property.

If Sponsor fails or refuses to correct any title defect, then, provided Purchaser is not then in default, the Purchaser's sole right will be to either (i) take title subject to the title defect (without abatement in or credit against the Purchase Price or claim or right of action against Sponsor for damages or otherwise) or (ii) cancel the Purchase Agreement. If Purchaser elects to terminate the Purchase Agreement, Sponsor shall cause the Contract Deposit to be returned to Purchaser, within 30 days after receipt of Purchaser's termination notice. Upon making such refund, the parties shall be relieved of all further obligations and liabilities under the Purchase Agreement and the Plan. The foregoing option must be exercised by Purchaser in writing sent to Sponsor within fifteen days after the giving of Sponsor's notice of refusal to remedy the title defect. IF THE PURCHASER FAILS TO NOTIFY SPONSOR OF HIS ELECTION WITHIN FIFTEEN DAYS AFTER SPONSOR NOTIFIED PURCHASER OF SPONSOR'S REFUSAL TO REMEDY THE TITLE DEFECT, IT WILL BE CONCLUSIVELY PRESUMED THAT PURCHASER ELECTED TO ACQUIRE TITLE SUBJECT TO THE TITLE DEFECT.

The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Units from such impermissible liens or encumbrances are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will be responsible for the cost of recording or filing such instruments.

The acceptance of a deed by a Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR, Part 23 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan) and in General Business Law Section 352-e to survive delivery of the deed.

UNIT CLOSING COSTS AND ADJUSTMENTS

Closing Costs.

The estimated closing costs and expenses to be borne by each Purchaser are set forth below. Recording charges, fees, title costs and taxes are based on rates in effect on the date of the Plan and are subject to change without notice.

(a) A contribution to the Working Capital Fund of the Condominium in an amount equal to two month's Common Charges then applicable to each Unit being purchased.

(b) If Purchaser elects to obtain fee or mortgage title insurance, Purchaser will pay a premium which will vary depending upon the amount of insurance requested. The premium for fee or mortgage title insurance if ordered from Chicago Title Insurance Company, 711Third

Avenue, New York, New York 10017 (212-880-1314), Attention: Ms. Patricia Lopinski, will be as follows:

FEE TITLE INSURANCE.

$402.00 for the first $35,000.00 of coverage; plus from $7.00 to $4.59 for each $1,000.00 of additional fee insurance or fraction thereof depending on the amount of insurance.

MORTGAGE TITLE INSURANCE.

$344.00 for the first $35,000.00 of coverage; plus from $6.00 to $3.82 for each $1,000.00 of additional mortgage title insurance or fraction thereof depending on the amount of insurance.

(c) If a Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from Chicago Title Insurance Company, the premium for the mortgage title insurance will be at a simultaneous rate.

The premium for fee title insurance issued simultaneously is computed as described in subparagraph (b) above.

(d) A fee for recording the Deed and Power of Attorney, being $17.00 for each instrument plus $5.00 per page and a service charge to the title company of approximately $10.00 per instrument, together with a fee of $25.00 for filing the New York City Real Property Transfer Tax return.

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

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

(i) Multiply the purchase price by the RPT Tax rate to compute the City Tax on the amount of the purchase price;

(ii) Multiply the purchase price by the NYS Tax rate to compute the NYS tax due on the on the amount of the purchase price;

(iii) Add the amounts obtained by the computations in steps (i) and (ii) to the Purchase Price (the number is hereinafter referred to as the "Grossed-Up Purchase Price".

(iv) Multiply the result of (iii) by the RPT Tax rate to determine the RPT Tax payable;

(v) Multiply the result of (iii) by NYS rate to determine the NYS Tax payable.

Example:

Purchase Price = $650,000

(1) $650,000 x 1.425 percent = $9,262.50

(2) $650,000 x 0.4 percent = $2,600.00

(3) Grossed-up Purchase Price is $650,000 + $9,262.50 + $2,600.00 = $661,862.50

(4) RPT Tax: = $661,862.50 x 1.425 percent = $9,431.54

(5) NYS Tax = $661,862.50 x 0.4 percent = $2,647.45

In addition, where a purchaser purchases a Professional Unit or two or more Residential Units, the NYC RPT Tax rate, where the consideration if $500,000 or less will be 1.425 percent, while the tax rate where the consideration is in excess of $500,000 will be 2.625 percent.

Thus, the effective RPT tax rate is approximately 1.014 percent of the purchase price where the purchase price is $500,000 or less and 1.451 percent where the purchase price is $500,000 or more. A similar position has been taken by the New York State Department of Taxation and Finance and as a result the effective tax rate for the State Transfer Tax is $4.06 per thousand dollars of the purchase price for the Unit where the consideration is less than $500,000 and $4.076 per thousand dollars of the purchase price of the Unit where the consideration is $500,000 or more. However, payment by Purchaser of the Special Additional Tax is not considered additional consideration to Sponsor for purposes of the calculation of the State Transfer Tax.

(f) If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of the mortgage recording tax, mortgage recording fees, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. Currently, the mortgage recording tax for mortgages under $500,000 is 2.05 percent of the face amount of the mortgage and 2.175 percent of the face amount of the mortgage if the mortgage is $500,000 or more. Of the total tax due, the lender pays an amount equal to 0.25 percent of the face amount of the mortgage. In addition, there is a $30 exemption for residential real property. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any

sources. As indicated above, a discounted rate may apply where fee and mortgage title insurance policies are issued simultaneously.

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

(g) Fees payable to Sponsor's attorney in accordance with the following schedule, all of which fees will be cumulative to the extent applicable to any individual closing:

(1) $1,500 for the preparation of closing documents, calculation of adjustments, attendance at closing at the place designated by Sponsor in the closing notice and supervision of execution of documents.

(2) If the Purchaser requires that the Closing occur other than at the offices of Sponsor's attorney or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an additional attendance fee of $300 for each Closing held within Manhattan and $400 for each Closing held in any borough outside Manhattan.

(3) If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, a fee of $450, payable in advance, for preparation of an assignment agreement.

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

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

All legal costs, fees and expenses of Sponsor's attorneys, other than those specifically set forth above, will be the sole responsibility of Sponsor.

Closing Adjustments.

At Closing, adjustments will be made as of midnight of the day preceding the Closing Date between Sponsor and each Purchaser with respect to (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed) on the basis of the period for which assessed, (b) Common Charges for the month in which title closes, and (c) accrued rent and any other charges pursuant to a lease between Sponsor and Purchaser including, without limitation, an interim lease or use and occupancy agreement, if any, covering Purchaser's Unit. In the event the Units have not been separately assessed for real estate tax purposes prior to the First Closing, Sponsor shall place in a special escrow account with Sponsor's attorney an amount equal to the unpaid real estate taxes which will be payable with respect to the Property for the six-month period following the First Closing or until the Units are separately assessed, whichever is shorter, or Sponsor will pay the real estate taxes with respect to the Property from the special escrow account as and when such taxes become due and payable, and Sponsor will be reimbursed for such payments by the Condominium Board. Until the Units are separately assessed and billed, each Unit Owner will pay his *pro rata* share (in the proportion that his Unit's Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Condominium Board. The Condominium Board will pay such taxes either to the Department of Finance of The City of New York or directly to Sponsor if Sponsor has already paid such real estate taxes. If any Unit Owner fails to pay his *pro rata* share as set forth above, the Condominium Board will have a lien on such Unit for non-payment thereof, as if such charges were Common Charges. (See the Section entitled "Rights and Obligations of Unit Owners--Common Charges: Collection and Lien for Non-Payment" for further discussion.) At such time as a Unit is separately assessed and separately billed, its Unit Owner will pay such taxes directly to the taxing authority.

If a Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date, (a) the closing apportionments described above will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.05 percent of the purchase price of his Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

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

LEASING - USE OF UNITS/INTERIM LEASES.

Sponsor reserves the right, prior to the date of closing title thereto, to rent or lease any Unit for such rent and term and on such other conditions as may be agreed to between Sponsor and any Purchaser who has paid the Contract Deposit required by his Purchase Agreement. Any such lease (also known as a "Use and Occupancy Agreement" or "Interim Lease") given to a Purchaser will provide that an uncured default by the tenant (Purchaser) under the Purchase Agreement for the unit which is the subject of the lease will constitute a default under the lease entitling the landlord (Sponsor), at its sole option, to immediately terminate such lease in accordance with applicable law. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any lease with respect to the Unit which is the subject of a Purchase Agreement will constitute a default under the Purchase Agreement, entitling Sponsor, in its sole option, to terminate such Purchase Agreement and to exercise any remedies therein provided.

Purchasers or any other persons entering into a Use and Occupancy Agreement for a Unit shall be required to pay the sum of $400 (subject to increase) to Sponsor's attorney for legal fees in connection therewith upon execution of the Use and Occupancy Agreement. All other charges or other fees due under a Use and Occupancy Agreement shall be adjusted as of the Closing to the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Use and Occupancy Agreement.

Sponsor or its successor further reserves the right to use or occupy itself or to rent or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between such parties) any vacant Unit not conveyed or with respect to which a Purchase Agreement is not then outstanding.

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor's Obligations with Respect to the Building.

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

(a) Each Unit and the fixtures and personal property contained therein, are being sold and delivered "AS IS", as described in the Plan, at the time the Purchase Agreement for such Unit is executed, unless Sponsor and Purchaser otherwise agree in writing. Each Unit is being sold unfurnished. Sponsor will maintain each Unit, and the fixtures and personally contained therein, up to the time of the transfer of title to the Unit in question. The Purchaser of a Unit may inspect such Unit prior to the Closing Date.

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

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

(d) Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in any renovation or construction at the Building in accordance with the New York Lien Law, for work performed and fixtures, material and equipment supplied or installed during any such construction and will cause any and all mechanics' liens arising out of such construction, if any, to be discharged by bonding, or otherwise, promptly after the filing of any such liens.

(e) Sponsor shall have the obligation to defend any suit or proceeding arising out of Sponsor's acts or omissions and to indemnify the Condominium Board or Unit Owner(s) in any such action or proceeding.

(f) Sponsor will deliver a set of "plans" to the Condominium Board.

(g) In accordance with Section 339(p) of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans are an accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental authority having jurisdiction over the Building.

(h) Sponsor will pay all Common Charges, real estate taxes and special assessments allocated to any Unsold Units in accordance with the provisions of the By-Laws. Sponsor represents and warrants that it has the financial resources to meet such obligations as the same become due. No bond or other security will be posted by Sponsor with respect to this obligation.

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

(j) Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection, by prospective purchasers and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of six years from the date of the recording of the

Declaration. In addition, a set of Floor Plans showing the layout, location and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

(k) Sponsor is obligated to deliver to the Condominium Board all books and records pertaining to the Building's operation that are in Sponsor's possession as of the date of the First Unit Closing.

(l) Sponsor may dissolve or liquidate at any time after the transfer of twenty (20%) percent or more of the total number of units of the Condominium, Sponsor's obligations under the Plan will be assumed by financially responsible persons or entities who will assume the status and all of the obligations of Sponsor for those units under the Offering Plan, applicable laws or regulations.

(m) Sponsor has no obligation to repair or improve Units or the fixtures or personal property attached to or used in connection with the operation of Units, except as otherwise expressly provided in this Plan. Sponsor will not warrant the materials or workmanship of any Unit, or the materials or workmanship of the Common Elements. Sponsor, however, shall assign to each Purchaser all warranties, if any, in Sponsor's possession at the Closing for any Unit. All warranties, if any, in Sponsors possession as of the First Closing which relate to the Common Elements will be assigned to the Condominium Board at the First Closing.

(n) All representations contained in the Plan and all of Sponsor's obligations under the General Business Law of the State of New York Section 352-eeee, which are to be performed subsequent to the Closing, shall survive the delivery of the deed.

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Unsold Units or Commercial Units retained by Sponsor. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Unit or to the personalty or fixtures contained therein.

The foregoing sets forth all of the obligations of Sponsor hereunder and no others shall be implied, except that nothing contained herein shall be deemed to limit the rights of Unit Owners under their respective Purchase Agreements. The Units and the Common Elements are being sold in their "AS IS" condition as of the date hereof and Sponsor makes no representation or warranty as to the condition of the Units, the materials, appliances, equipment or fixtures other than as set forth in the Plan. Prospective Purchasers should inspect the Units prior to executing a Purchase Agreement.

The obligations of Sponsor hereunder with respect to the Building shall be enforceable by the Condominium Board on behalf of all Unit Owners. Obligations of Sponsor shall be enforceable by individual Unit Owners if either (i) the Condominium Board fails to take reasonable action to enforce such obligations within 90 days following the giving of notice of such claim by any Unit Owner to the Condominium Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Condominium Board will expire during the aforesaid 90-day period. In addition, to the extent permitted by law, Sponsor will have no liability to any Purchaser, any subsequent purchaser of a Unit, Unit Owner, or the Condominium Board with respect to its obligations under the Plan (other than for actual, non-consequential damages, including property damage, personal injury or wrongful death, arising as a result of the negligence of Sponsor or its authorized agents or employees in connection with the transactions contemplated in the Plan) in excess of the net proceeds paid to Sponsor from the sale of all Unsold Units after payment of, or reasonable reserve for, any liabilities of Sponsor arising out of the consummation of the transactions contemplated in the Plan.

Except as set forth above or as required by law or governmental regulation, Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time it is called upon to perform. No representation can be made that it will be financially able to perform any or all of such obligations.

All representations under the Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Plan which are to be performed subsequent to the First Closing will survive delivery of a deed to a Purchaser of a Unit.

Use of Unsold Units.

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

CONTROL BY SPONSOR

The sale of Units by Sponsor does not require the approval of or a first offer to the Condominium Board, and no transfer fee may be charged to Sponsor or to successor owners of the Unsold Units by the Condominium Board.

The Condominium Board shall initially consists of three persons designated by Sponsor. The Condominium Board will call for a special meeting of the Unit Owners to elect a new Condominium Board within 30 days of the first anniversary of the First Closing or no more than 30 days prior to such anniversary.

Commencing with the first annual meeting, the Condominium Board shall consist of five persons. All such persons shall be elected by the Unit Owners (including Sponsor). The number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

Sponsor shall have the right to vote all of the Common Interests attributable to Unsold Units when voting for members of the Condominium Board. At all elections held after the expiration of the period ending on the earlier of: (i) the Closing of title with purchasers under the Plan to Units having more than 75 percent of the aggregate Common Interests pertaining to all Units, or (ii) five years after the First Closing the Initial Control Period"), not more than two of the members of the Condominium Board may be elected or designated by Sponsor or the then owner of the Unsold Units.

After the Initial Control Period, Sponsor as owner of Unsold Units, shall have the right to designate one member of the Condominium Board for so long as Sponsor owns at least one Unsold Unit.

Within approximately 30 days after the Initial Control Period, the applicable number of members of the Condominium Board representing the Unit Owners which were designated by Sponsor shall resign and their replacement shall be filled by a majority vote of the members of the Condominium Board representing the Unit Owners (excluding members designated by Sponsor) at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

The number of members of the Condominium Board representing the Unit Owners may not be increased or decreased without the consent of Sponsor or its successor-in-interest as owner of the Unsold Units for so long as there remains one Unsold Unit.

Until Sponsor no longer elects a majority of the members of the Condominium Board, Sponsor will through its control of the Condominium Board have control of the maintenance and operation of, and the services to be provided by the Condominium and will determine the Common Charges to be paid by all Unit Owners.

The Condominium Board may not, for as long as Sponsor has title to Units having more than 25 percent of the aggregate Common Interests pertaining to all Units, but in no event later than five years after the First Closing, whichever shall first occur, take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements or to any Unit unless the same are required to comply with applicable laws or regulations, (b) assess any

Common Charges or Special Assessments for the creation of, addition to or replacement of or addition to all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees from that described in the First Year's Budget, (d) enter into any service or maintenance contract for work or otherwise contract for work or services not covered in the First Year's Budget, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board to comply with applicable laws or regulations or to remedy any notice of violation or work order of the Condominium's insurer.

During the time that Sponsor or its successors in interest have the right to control the Condominium Board or to control the expenditures of the Condominium as provided above, Sponsor or its successors in interest will effectively control the budget of the Condominium, the selection of a management company, the maintenance charges imposed upon Unit Owners or similar matters which will ultimately be the responsibility of resident members of the Condominium Board.

All members of the Condominium Board and officers shall serve without compensation from the Condominium, and Sponsor has agreed that the By-Laws will not be amended to provide otherwise while Sponsor is in control of the Condominium Board.

The term of office of the members of the Condominium Board and Condominium Board shall be for one year or until their successors are elected. Any member of the Condominium Board may resign at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Condominium Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein.

A member of the Condominium Board may be removed with or without cause by an affirmative vote of a majority of Unit owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Unit Owners; provided, however, that Condominium Board members designated by Sponsor may only be removed with cause and replaced by another Sponsor designee. No member of the Condominium Board shall continue to serve on the Condominium Board if, during his term of office, such member shall cease to be a Unit Owner or an interested party as described in Section 2.7 of the By-Laws; provided, however, that this provision respecting Unit ownership and Condominium Board membership shall not apply to members of the Condominium Board designated by Sponsor.

Upon the affirmative vote of a majority of the members of the Condominium Board, any officer may be removed with or without cause. A successor officer may be elected at any regular Condominium Board meeting or at any special Condominium Board meeting called for such purpose.

Any member of the Condominium Board who is a designee of Sponsor may contract or deal with Sponsor and no other member of the Condominium Board or any Unit Owner may claim that such designee is self-dealing.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Units.

Each Unit Owner may sell or lease his Unit provided the Unit Owner selling or leasing his Unit (the "Transferor") first gives the Condominium Board, on behalf of all Unit Owners, notice of his intention to sell or lease such Unit and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective Purchaser or lessee as set forth in a signed contract or lease, as the case may be, as more specifically provided in Article 7 of the By-Laws. If the Condominium Board does not elect to purchase or lease the Unit within 30 days after receipt of the offering Unit Owner's notice, the Transferor will have an additional 60 days to either convey the Unit to the prospective purchaser or deliver possession of the Unit to the lessee, as the case may be, on the terms set forth in said notice. In the event such sale or lease is not consummated within said 60-day period, the Transferor will be required to again first offer the same to the Condominium Board, provided that the Condominium Board shall be entitled to waive, or to permit an extension of, such 60-day period. The Condominium Board may not exercise its option to purchase or lease any Unit without prior approval of a majority in interest of Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. In any vote of all of the Unit Owners, the Transferor shall have the right to vote in any vote conducted by the Condominium Board for the purpose of determining whether the Condominium Board shall exercise its right of first refusal to purchase or lease the Transferor's Unit. Any such deed given by a Transferor shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign the lease or sublet the demised premises or any part thereof without the prior consent in writing of the Condominium Board, and that the Condominium Board, if permitted by applicable law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

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

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

The restrictions upon the sale and lease of Units shall not apply to Sponsor or its successor-in-interest with respect to any Unsold Units, or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, and they shall be free to sell or lease without first offering to sell or lease to the Condominium Board. The restrictions upon the sale and lease of Units also shall not apply to the Professional Units, the Cellar Unit or the Roof-Top Unit.

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

A Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Exceptions set forth in Part II of this Plan) are paid and/or satisfied at or prior to closing. In addition, the Condominium Board may establish reasonable fees for the processing of sale and lease notices, which shall be payable by the selling or leasing Unit Owner, as the case may be, to the Managing Agent.

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

Use of Units.

Residential Units shall be used only as a residence (except as described below), and not more than one family may occupy a Unit at one time, subject to applicable laws and regulations. A Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity may only be occupied by said individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, the fiduciary or beneficiary of said fiduciary, a principal or employee or such other entity, respectively, or by members of the immediate family or guests of any of the foregoing. A Unit may be used as a professional office or for any other lawful purpose, provided such use is permitted by applicable laws or regulations,

does not violate the then existing Certificate of Occupancy covering the Building, complies with all applicable governmental regulations and the Condominium Board, in its sole discretion, grants permission for such use. The Professional Units, the Cellar Unit and the Roof-Top Unit may be used for any use permitted under applicable law, provided however, in no event shall the Professional Units be used as a drug abuse treatment facility or for any use which is noxious, illegal or immoral.

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

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Building. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof relating to any portion of the Property shall be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whoever or whichever shall have the obligation to maintain or repair such portion of the Property.

No "For Sale", "For Rent", "For Lease" signs, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Unit, except that these sign restrictions shall not apply with respect to Unsold Units.

No awnings, air-conditioning equipment or ventilators shall be installed or modified in the Building without prior written approval of the Condominium Board. No radio or television aerial or other similar device shall be erected on the roof or exterior walls of the Building or on the Property, without obtaining in each instance the written consent of the Condominium Board.

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

Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations concerning the use of Units may be amended from time to time by the Condominium Board provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective (except that no amendment thereof affecting the Unsold Units may be made unless agreed to by Sponsor). Further restrictions on the use and leasing of Units are set forth in the By-Laws and Rules and Regulations.

Mortgage of Units by Unit Owners.

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

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

Common Charges: Determination and Assessment.

Common Expenses, which are payable only by Unit Owners and are included in their Common Charges, are allocated among Unit Owners in proportion to their respective Common Interests. Common Expenses include, among other things, all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, and may include amounts for certain other items as the Condominium Board may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Condominium Board of any Unit.

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

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

Common Charges: Collection and Lien or Non-Payment.

Under the provisions of the By-Laws, the Condominium Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit in proportion to the respective Common Interests of the Units. All such liens, however, to the extent permitted by applicable law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is commenced within such six-year period), whichever shall first occur. The By-Laws provide that such liens may be foreclosed by an action brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing such lien.

No Unit Owner may exempt himself from liability for his Common Charges by waiving use of any of the Common Elements or by abandonment of his Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a permissible sale, transfer or other conveyance by him of such Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying his Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, exempt himself from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to his Unit and such Unit being free and clear of all liens and encumbrances other than Permitted Mortgages. However, in no event shall Sponsor be permitted to convey any Unsold Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unit thereafter accruing, unless: (i) the aggregate Common Interests appurtenant to the Unsold Units constitutes fifteen (15%) percent or less of the total Common Interests then appurtenant to all Units; (ii) at least five years have elapsed from the date of the First Closing; and (ii) at the time of conveyance, Sponsor shall pay the Condominium Board a sum equal to the product of the then current monthly Common Charges for the Unsold Units being conveyed multiplied by 24. The foregoing also does not prohibit Sponsor from selling a Unit to the Condominium Board.

On a resale of a Unit, the purchaser thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to his acquisition. Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser of a Unit shall be entitled to a statement from the Condominium Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in such statement. In the event of a foreclosure by the Condominium Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid

charges or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the Unit Owner will remain liable for the unpaid balance. Neither (a) a Permitted Mortgagee acquiring title to a Unit at foreclosure sale, nor (b) a purchaser at a foreclosure sale shall be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such Permitted Mortgagee or purchaser. However, such Permitted Mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. The Condominium Board will have the right to assess such unpaid balance as a common charge among all Unit Owners.

Repairs to and Maintenance of Units and Common Elements.

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, (a) in or to any Unit (other than to the Common Elements), including the heating/cooling systems and the interior side of entrance doors thereto, will be made by the owner of such Unit at such Unit Owners sole cost and expense, and (b) in or to the Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense.

Notwithstanding the above, all normal maintenance, repairs and replacements of any Terrace shall be made by the Unit Owner having exclusive access to same, at his own cost and expense, but any structural or extraordinary repairs or replacements to such Terrace (including any leaks which are not caused by the negligence of the Unit Owner having access to the same) will be made by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense. Any Unit Owner having exclusive access to a Terrace shall keep it free of snow, ice and accumulation of water. In accordance with the By-Laws, the type, size and quantity of plantings and other installations to be placed on the Terrace by Unit Owners and the rights of such Unit Owners to paint and decorate the Terrace shall be subject to the prior written approval of the Condominium Board. Notwithstanding anything to the contrary contained herein, the Board of Managers of the Condominium and their representatives will have additional access to the roof and to the rear yards for the purpose of inspecting and repairing the Terraces.

The interior glass surfaces of all windows located in any Unit shall not be colored or painted and are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. Any replacement of glass windows in any Unit because of breakage or otherwise shall be made by the Unit Owner thereof at the sole cost and expense of the Unit Owner (unless such breakage is caused by the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner).

The By-Laws provide that each Unit and all portions of the Limited Common Elements which are used exclusively by certain Unit Owners (*e.g.* the roof or the wall) shall be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner. In the event any Unit Owner fails to keep his Unit or such Unit Owner's designated Limited Common Element in such

condition, the Board may, at the expense of such Unit Owner, enter such Unit and/or the Limited Common Element and perform such acts as are necessary to cure such default. (See the Section entitled "Rights of Access").

The By-Laws further require that those public or other areas of the Building exposed to public view that are required to be maintained by each Unit Owner or the Condominium Board, be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or the Condominium Board.

Alterations and Improvements of Units and Common Elements.

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

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, the Condominium Board shall have the right to reasonably approve the Unit Owner's contractors and suppliers and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Condominium Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done.

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

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

Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense.

Insurance.

The Condominium Board is required to obtain and maintain the forms of insurance described in the Section entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." The Condominium Board is not required to obtain or maintain any insurance with respect to any property contained in a Unit. Consequently, individual Unit Owners, other than the Sponsor or other holder of Unsold Units, are required to obtain casualty insurance with respect to the improvements, and the fixtures, furniture, furnishings and other personal property located within their respective Units in an amount of no less than $50,000 and liability insurance in an amount of no less than $1,000,000 with respect to occurrences in or about their respective Units. The By-Laws further provide that the Condominium Board may increase the minimum amount of insurance to be carried by Unit Owners from time to time as the Board may deem advisable.

Rights of Access.

As more fully set forth in the By-Laws, the Condominium Board and any managing agent, manager, Resident Manager and other persons authorized by the Condominium Board, will have a right of access to any Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by law or governmental regulation, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the tenants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

In accordance with the provisions of the multiple dwelling laws, each Unit Owner must deliver a complete set of keys for his or her Unit to the Board of Managers of the Condominium to facilitate any necessary entry. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Condominium Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry.

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

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

Examination of Books and Records.

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

Self-Help.

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

Units Held by Non-Occupying Unit Owners.

If a Non-Occupying Unit Owner rents any dwelling unit to a tenant and then fails to make payments due for common charges, assessments or late fees for such Unit within 60 days of the expiration of any grace period after they are due, all rental payments from the tenant shall be directly payable to the Condominium. A "Non-Occupying Owner" shall mean a Unit Owner who does use his or her dwelling unit for occupancy by themselves or a member of their immediate family.

If the common charges, assessments or late fees due for any Unit have not been paid in full within 60 days after the expiration of any grace period of the earliest due date, the board of directors shall provide written notice to the rental tenant and the Non-Occupying Owner providing that, commencing immediately and until such time as all payments for maintenance, 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 at the address listed on the notice. Where a majority of the Board of Managers has been elected by and from among the owners who are in occupancy, the Board of Managers may elect not to require that rental payments be made payable to the Condominium. At such time as payments for maintenance, 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 the Non-Occupying Owner. Thereafter, all rental payments for such unit shall be made payable to the Non-Occupying Owner or to a designated agent. A Non-Occupying Owner who disputes the Condominium'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 30 days.

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

Condominium Board.

The affairs of the Condominium shall be governed by the Condominium Board, which shall initially be comprised of three members designated by Sponsor. Within 30 days of the first anniversary of the First Unit Closing, the Condominium Board will call for the first annual meeting of Unit Owners. At the first meeting, the incumbent Condominium Board shall resign and, subject to Sponsor's right to designate members of the Condominium Board, the Unit Owners shall elect a new Condominium Board consisting of five members: four elected by the Residential Unit Owners and one by the Commercial Unit Owners. Members of the Board of Managers shall serve for two-year terms. Except at the first annual meeting when the Unit Owners shall elect all members of the Board, three members shall be elected in years ending with an even number including the Board member elected by the Commercial Unit Owners and two members will be elected in years ending with an odd number. (See the Sections entitled, "Meetings and Votes of Unit Owners" and "Control by Sponsor"). Thereafter, at each annual meeting, members of the Condominium Board shall be elected and shall serve until the next annual meeting thereof and until a successor has been elected and qualified.

Except for the Condominium Board members designated by Sponsor, all members of the Condominium Board must be either Unit Owners or certain interested parties as described in the By-Laws. However, the By-laws do not require that Unit Owners who are Board Members reside in the Building. Accordingly, Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this Plan. No member of the Condominium Board shall continue to serve on the Condominium Board if, during his term of office, said member shall cease to be a Unit Owner or an interested party. All Board members shall serve without compensation from the Condominium.

Powers and Duties of and Determinations by the Condominium Board.

The Condominium Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. Generally, all determinations with respect to the administration of the affairs of the Condominium shall be made by the Condominium Board.

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

Notwithstanding anything to the contrary contained herein, so long as Sponsor shall continue to own units with an aggregate common interest of more than 25 percent of the common elements, but in no event later than five years from the First Closing, the Condominium Board may not without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration, or improvement to the Common Elements or to any Unit unless the same are required to comply with applicable laws or regulations; (b) assess any Common Charges for the creation or replacement of, or addition to, all or part of a reserve, contingency, or surplus fund; (c) increase or decrease the number or change the kind of employees from that described in the First Year's Budget; (d) enter into any service or maintenance contract for work or otherwise provide services in excess of those set forth in the First Year's Budget, except as is required to reflect normal annual increases in operating services; or (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such action is necessary (and no alternatives are available) to enable the Condominium Board to: (i) comply with applicable laws or regulations; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

Meetings and Votes of Unit Owners.

Annual meetings of Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At such meetings, the Unit Owners shall elect the five member Condominium Board as provided in the Condominium By-Laws, subject to any rights of Sponsor and the Owner of the non-residential Units to designate Condominium Board members, and there shall also be transacted such other business as may properly come before such meetings. In addition, special meetings may be held from time to time pursuant to the By-Laws. The Secretary of the Condominium Board shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice, which will be given not less than ten nor more than 30 days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Unit Owners, the presence in person or by proxy of Unit Owners owning more than 40 percent of the Common Interests attributable to all Units shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Unit Owners.

At all meetings, each Unit Owner (or his proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each 0.01 percent of interest in the Common Elements attributable to his Unit or Units.

Officers.

The principal officers of the Condominium shall be a President, a Vice-President and a Secretary-Treasurer, all of whom shall be elected by the Condominium Board. The Condominium Board may appoint additional officers. None of the officers of the Condominium need be Unit

Owners or have any interest therein or be Condominium Board members until the first organizational meeting of the Condominium Board following the first annual meeting. Thereafter, the President, the Vice-President and Secretary-Treasurer must be members of the Condominium Board. Except as otherwise provided by the Condominium Board, no officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Condominium are to be executed by any two officers thereof or by such other person or persons as may be designated by the Condominium Board. However, any significant expenditure by the Condominium Board must be countersigned by two members of the Condominium Board. If, for any reason whatsoever, one member refuses to countersign such an expenditure which has been authorized, the Condominium Board shall designate and authorize another Board member to countersign the expenditure.

Repair or Reconstruction after Fire or Other Casualty.

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

If the Building is damaged or destroyed by fire or other casualty and the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds shall be made to a Unit Owner until there has first been paid out of his share of such funds such amounts as may be necessary to reduce unpaid liens on his Unit, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

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

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Condominium Board in the event of a loss amounting to $100,000 or less. In the event that such proceeds are in excess of $100,000, such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the

provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance.

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

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

The amount of fire insurance and all risk extended coverage to be maintained until the first Condominium Board meeting following the First Annual Meeting of the Unit Owners shall be in at least the sum set forth in the First Year's Budget.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) *pro rata* reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees at least ten (10) days prior to the expiration of the then current policies.

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Condominium Board may from time to time determine, covering (1) the Condominium Board, the Managing Agent or agents thereof, each Condominium Board member and each officer and employee of the

Condominium, and (2) each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit or within the Common Elements, if any, exclusive to his Unit. The Condominium Board shall review such limits not less than once each year. Until the first meeting of the Condominium Board following the First Annual Meeting of Unit Owners, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

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

Unit Owners, other than the Sponsor, the Commercial Unit Owners or successor holder of Unsold Units, are required by the Condominium By-Laws to carry insurance for their own benefit with respect to the personal property, fixtures and the improvements contained in the Units in an amount of no less than $50,000 and liability insurance in an amount of no less than $1,000,000. The By-Laws further provide that the Condominium Board may increase the minimum amounts of such insurance from time to time as the Condominium Board deems advisable. All such policies shall contain waivers of subrogation, if available. Furthermore, the liability of the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Liability of the Condominium Board and Unit Owners.

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

Reports to Unit Owners.

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

Amendments to Condominium Documents.

Generally, subject to certain exceptions concerning, among other things, Sponsor, and Unsold Units, and provided that required consents of the Mortgage Representatives, if any, are obtained, any provision of the Declaration, By-Laws or Rules and Regulations affecting the Common Elements or all Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 55 percent in number and in Common Interest of all Unit Owners; provided, however, that the Common Interest appurtenant to each Unit may not be altered without the written consent of all Unit Owners directly affected thereby.

No amendment, modification, addition or deletion of the Declaration, By-Laws or Rules and Regulations (other than those required by law) shall be effective (a) against Sponsor or any Unsold Unit unless Sponsor has given its written consent thereto, or (b) against the holder of any mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto.

Action for Partition of Condominium.

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

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

Units Acquired by Condominium Board.

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

The purchase of any Unit by the Condominium Board on behalf of the Unit Owners, may be made from the funds deposited in the capital and/or operating accounts of the Condominium Board. If the funds in such account is insufficient to effectuate any such purchase, the Condominium Board may levy an assessment against each Unit Owner in proportion to his respective Common Interest, as a Common Charge and/or the Condominium Board may, in its

discretion, finance the acquisition of such Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements.

Procedure to Review Real Estate Tax Assessments.

The Condominium Board, on behalf of and as agent for all Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to the Units.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of a Unit as a personal residence was prepared by Sponsor based, in part, upon the income tax opinion of Goldberg, Weprin & Ustin, LLP, counsel to Sponsor, a copy of which is set forth in Part I of this Plan.

GOLDBERG, WEPRIN & USTIN, LLP IS COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT HIS OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF UNIT OWNERSHIP UNDER THE PLAN.

Income Tax Deductions to Unit Owners.

Each Unit Owner will own his Unit and its appurtenant interest in the Common Elements in fee simple and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Unit Owner will own his Unit in fee simple, the Unit Owner may mortgage such Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Goldberg, Weprin & Ustin, LLP that a Unit Owner who uses his Unit as a personal residence will, under present law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire, construct or substantially improve a principal or second residence or which constitutes a refinancing of such debt (up to a total indebtedness of $1 million), plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of these limitations would not be deductible. In addition, Unit Owners should note that special limitations may apply to the deductibility of

points and prepaid interest, if any, on their mortgage loans and to the overall allowance of itemized deductions.

Each Unit Owner's proportionate share of the income received by the Board of Managers, including, but not limited to, income, if any, from the sale or leasing of Units owned by the Board of Managers or its designee on behalf of all Unit Owners (or from similar sources), will either be realized by the Unit Owners as taxable income for Federal and New York State income tax purposes, or taxed on the Condominium itself if the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charges. In such event the additional Common Charges may also be subject to tax.

Tax Status of the Condominium.

Under Section 528 of the Internal Revenue Code, the Condominium may be eligible to be exempt from taxation on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. However, because of certain tests for qualification, including the composition of the receipts and expenditures of the board of managers, and because of certain ambiguities in the language of Section 528 which are not clarified by the legislative history, rulings or regulations, it is not presently possible to guarantee that Section 528 will apply to the Condominium. Accordingly, while the Sponsor's counsel believe that the Condominium will be eligible for a Section 528 election for the first year of operation, it is not possible at this time to express a definitive opinion as to the Section's applicability.

The opinion of Sponsor's Counsel is not a guarantee. It is based upon 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 based this opinion will not change. In no event will Sponsor, Sponsor's counsel, the Board of Managers of the Condominium, the Selling Agent or any other person be liable if the Unit Owners cease to meet the requirements of the Internal Revenue Code of 1986, as amended, or the New York State tax law, as amended, if there are changes in the facts on which counsel relied in issuing its opinion, or if there are changes in the applicable statutes or regulations.

IRS Circular 230 Notice: In compliance with the requirements of the Internal Revenue Service, any advice with respect to U.S. Income Taxes contained in this Plan including, without limitation, any advice set forth in the Opinion of Counsel delivered by Goldberg Weprin & Ustin LLP, is not intended to and cannot be used for the purpose of (i) avoiding tax penalties or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

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COUNSEL'S INCOME TAX OPINION LETTER

February 23, 2006

The Board of Managers of
30 East 37th Street Condominium
30 East 37th Street
New York, New York 10016

Re: Offering Plan for Condominium Ownership of Premises
30 East 37th Street, New York, New York

Gentlemen/Mesdames:

You have requested our opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes (but not for purposes of the New York City earnings tax on residential use ("Residential Unit Owners")) under the Plan, and (ii) the proper treatment by the Condominium Board of the Common Charges paid or borne by all Unit Owners for such income tax purposes. Except where otherwise indicated herein, the terms in this opinion have the same meanings as in the Plan.

The condominium units of "30 East 37th Street Place Condominium" will be organized under the laws of the State of New York for the purpose of providing for the management, maintenance and care of the twelve-story residential building located at 30 East 37th Street, New York, New York. The Building will contain two professional units presently used as doctors' offices located on the basement and cellar floors of the building, one roof-top antennae Unit and 101 units which are to be

designated as residences on the building's Certificate of Occupancy. The By-Laws of the Condominium provide that in addition to the status conferred upon the Condominium Board pursuant to the provisions of the New York Condominium Act, to the extent permitted by applicable law, the Condominium Board is deemed to constitute an unincorporated association for all purposes under the provisions of the General Association Law of the State of New York.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986, as amended ("Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder and such other materials as we deemed relevant, and we have assumed that the first closing under the Plan will occur in 2006.

I. Deductions for Mortgage Interest and Real Estate Taxes

A Residential Unit Owner will own his Unit and its appurtenant interest in the Common Elements in fee simple absolute. Accordingly, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Residential Unit Owner will be individually liable for the payment of such real estate taxes. A Residential Unit Owner, pursuant to the terms of this Offering Plan, may also mortgage such Unit(s) and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness.

In our opinion, a non-corporate Residential Unit Owner who itemizes his deductions will be entitled to a deduction in computing his taxable income for Federal Income tax purposes for *bona fide* mortgage interest incurred with respect to his Unit in the year paid or accrued provided that (a) the indebtedness is incurred in acquiring, constructing or improving the Unit, (b) the indebtedness is secured by the Unit, (c) the indebtedness does not exceed $1 million ($500,000 for married couples filing separately), and (d) the Unit is a "qualified residence." Interest paid on indebtedness that refinances indebtedness incurred to acquire, construct or improve a Unit is similarly deductible. A Unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" within the meaning of Code Section 121 or (ii) a residence as defined by Code Section 280A(d)(1) that the owner selects as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. In the case of a married couple filing separate returns, each taxpayer may take into account a single "qualified residence", unless by written agreement both parties consent to one of them taking the deduction for both residences. Under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than "points" paid in certain cases).

In our opinion, a Residential Unit Owner who itemizes his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction for real

estate taxes incurred with respect to his Unit in the year paid or accrued under Section 164 of the Code.

It is also our opinion that each Residential Unit Owner whose Unit is used in an active profession and/or trade or business, other than the rental of such Unit, in which the Residential Unit Owner materially participates, will, for Federal Income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit for the year paid or accrued under Section 164 of the Code.

Other rules are applicable to a Residential Unit Owner if the Unit is to be used in a trade or business or is to be held for rental. In these cases, the Tax Reform Act of 1986 will have broad impact, and no opinion is offered as to the consequences to such a Residential Unit Owner.

It is also our opinion that each Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. Section 615 of the New York State Tax Law. Section 11.715 of the Administrative Code of the City of New York. However, in the case of a Residential Unit Owner whose New York State or New York City adjusted gross income exceeds $100,000.00, the amount of such deduction will be reduced by up to 25 percent of such deduction.

However, the benefit of a Unit Owner's deductions for real estate taxes may be reduced if the Unit Owner is subject to the Federal alternative minimum tax pursuant to Section 55 of the Code. State and local taxes, including real estate taxes, are not deductible for purposes of calculating an individual's federal alternative minimum taxable income. 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.

II. Common Charges

Common charges will be borne by the Unit Owners and assessed and collected by the Board of Managers ("Condominium Board").

Under Section 528, added to the Code by the Tax Reform Act of 1976, some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. However, because of certain tests for qualification, including the composition of the Condominium Board's receipts and expenditures, and because of certain ambiguities in the language of Section 528 which are not clarified by the

legislative history, rulings or regulations, it is not presently possible to determine with absolute certainty, the application of Section 528 to the Condominium.

The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless, qualify in one or more future years. To qualify as a condominium management association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least 60 percent of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (3) 90 percent or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees or assessments), and (5) the Condominium must annually elect to be treated as a condominium management association. The regulations also require that *substantially all* of the units be used as residences. Units or areas of the Condominium which are used for purposes auxiliary to residential use, such as the laundry room, storage rooms and areas used by maintenance personnel shall be considered used for residential purposes.

Inasmuch as substantially all of the units be used for residential purposes and assuming (i) actual gross income and expenditures of the Condominium for its taxable year ending December 31, 2006 (the "First Year") are the same (or are in the same proportions) as the estimated gross income and expenditures for the Condominium's First Year of operations, and the Condominium otherwise operates in accordance with the terms of the Plan and the Plan Documents, and (iii) there are no changes in the facts and/or the relevant provisions of current law, the Condominium will be eligible to elect to be treated as a homeowners association under Section 528 of the Code commencing on the Condominium's First Year of Operation.

Even if the Condominium Board were eligible to make a Section 528 election, it would still be subject to tax on any income not received as assessment or other such payment from Unit Owners, thus, if the Condominium Board realized interest income from funds on deposit, such interest may be taxable to it.

If an election under Section 528 is not in effect for the taxable year, the tax status of the Condominium board will be governed by the rules in effect prior to the enactment of Section 528 ("existing law").

Under existing law, the tax status of the Condominium Board is uncertain. The By-Laws provide that the Condominium Board will act as the agent of the Unit Owners. Thus, the Condominium Board may take the position that it is simply a conduit for receipts and payments of the Unit Owners for whom it acts as agent and not a separate entity. In such case, the Unit Owners would themselves be taxable on any interest or similar income which is earned from investments of the amounts which are assessed and collected from the Unit Owners and/or held as reserve funds.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board, constitute an association taxable as a corporation. In such event, such association may be deemed subject to the Federal corporate income tax (and also to New York State and New York City corporate income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for Federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from which the assessments were collected, Rev. Rul. 75-370, 1975-2 Cum. Bull. 25, or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the association. Rev. Rul. 75-371, 1975-2 Cum. Bull. 52 Cf. Concord Village, Inc., 65 T.C. 142(1975). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributions of associations, a distribution is first treated as taxable ordinary income to the extent of the distributor's proportionate share of the association's earnings and profits, then as a tax-free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

In this condition, it should be noted that if the Condominium Board is determined to be a separate taxable entity for federal income tax purposes, it is possible that the limitations of Section 277 may be found to apply. If this were the case, the Condominium Board's income from sources other than Unit Owners, if any, could be offset by the Condominium Board's expenses incurred in the provision of services to Unit Owners. It is unclear how interest or other income earned on the investment of a required reserve fund would be treated for this purpose; if such income were treated as not derived

from the Unit Owners in consideration of services rendered them by the Condominium Board, then such income may not be reduced by the Condominium Board's operating expenses with respect to the property and may result in a liability for taxes.

In the event that the Condominium Board is required to pay any Federal, New York State or New York City income tax, and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax. *See,* Old Colony Trust Co. v. Commission, 279 U.S. 716 (1929); Rev. Rul. 74-75. 1974-1 Cum. Bull. 19; Rul. 86-14 I.R.B. 1986-5, 33.

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

Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business other than set forth herein, or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units or Limited Common Elements are acquired and/or leased by the Condominium Board. It is also to be noted that, under certain circumstances, an owner of any Unit, by virtue of such ownership, may be deemed to become a resident of New York City and that this opinion does not deal with the circumstances under which this may occur, or with the income, estate or other tax consequence that may arise therefrom. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion.)

In our opinion, Residential Unit Owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurance can be given that the tax laws upon which counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, case law or Internal Revenue Service Rulings on which counsel relied which cause Residential Unit Owners not to be entitled to income tax deductions.

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

Very truly yours,

Goldberg Weprin & Ustin LLP

Goldberg Weprin & Ustin LLP

IRS Circular 230 Disclosure:

In compliance with the requirements of the Internal Revenue Service, any advice with respect to U.S. Income Taxes contained in this Plan including, without limitation, any advice set forth in this opinion is not intended to and cannot be used for the purpose of (i) avoiding or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Generally, Units may not be separately assessed until the tax year following the tax year in which the Declaration of Condominium is recorded. Until the Units are separately assessed and billed, each Unit Owner shall pay such Unit Owner's *pro rata* share (in the proportion that such Unit Owner's Unit's Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Condominium Board as Common Charges.

The New York City real estate taxes for the first year of condominium operation following the First Unit Closing are based upon an opinion of Goldberg Weprin & Ustin LLP which assumed that (i) a transitional assessed valuation for the Property for 2006/2007 in the amount of $3,618,000; and (ii) a tax rate of $12.396% per $100 of assessed valuation for the Residential Units. Based upon these assumptions, Goldberg Weprin & Ustin LLP has projected that the aggregate New York City aggregate real estate taxes for the first year of condominium operation following the First Unit Closing will be $492,890.

The value of the Property for real estate tax purposes is determined annually by the Real Property Assessment Bureau of the City of New York. Under current New York State law, increases or decreases in a property's assessed valuation due to changes in its market value are to be phased in over five years in equal annual increments of twenty (20%) percent. Any further increase or decrease in the assessed value during such five-year period resulting from a still higher or lower market value is to be similarly phased in over an additional five year period from the date of such increase. The full increased or the decreased assessed value targeted to be paid at the end of five years is called the "actual assessed valuation". The amount of assessed value reflecting the phase in increases or decreases is called the "transitional assessed valuation". Taxes are paid on the lower of the "Transitional Assessed Valuation or the Actual Assessed Valuation". The final assessed valuations and tax rates for the 2002/2007 and subsequent tax years are as follows:

TAX ASSESSMENTS			
Tax Year	Residential Tax Rate Per $100 of Assessed Valuation	Transitional Assessed Valuation	Actual Assessed Valuation
2003/2004	12.62	3,189,200	3,525,000
2004/2005	12.216	3,422,300	3,811,500
2005/2006	12.396	3,976,200	4,711,500
2006/2007	12.396	3,618,000	3,618,000

No representation is made or warranty given as to: (a) whether or not there will be (i) a further increase or decrease in the assessed valuation of the Property during the five year phase-in period, or (ii) an increase in the tax rate or (iii) an increase or decrease in the assessed valuation of the Property by reason of the conversion of the Property to condominium ownership or (b) the method of determining the assessed valuation, (c) the amount of any increase or decrease in the assessed valuation of the Property, or (d) the allocation of assessed valuation between the Units.

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the Units plus their Common Interest exceed the total valuation of the property were the property assessed as one parcel.

The estimated real estate taxes for each Residential Unit for the first year of condominium operation following the First Unit Closing assumes that the amount of real estate taxes payable with respect to each Residential Unit will be levied in accordance with its share of the Common Elements. The City of New York may levy real estate taxes in the proportion that the purchase price of a Unit bears to the purchase prices of all Residential Units as set forth on Schedule A. There is no assurance that the New York City taxing authority will allocate taxes among Units in proportion to their respective interest in the Common Elements, but instead may apportion the real estate taxes based on true relative values of the Units. Accordingly, owners of Units having the same interest in the Common Elements or the same or similar purchase prices may pay different amounts of real estate taxes. Until the Units are separately assessed, the Condominium Board will pay all real estate taxes with respect to the property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest.

SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY OR THE TAX RATE WILL NOT BE CHANGED.

The By-Laws provide that the Condominium is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect to Unit Owners, for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such residential Unit Owner indemnifies the Condominium Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

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WRITER'S DIRECT DIAL (212) 301-6954

December 14, 2005

Hampton Associates LLC
60 East 42nd Street
New York, New York 10165

Re: 22-32 East 37th Street
Block: 866 Lot: 48
Borough of Manhattan

You have requested an estimate of the possible assessed value for the residential portion of the above building on transfer of the property to a Condominium Association. The premises contains 104 residential apartments, a superintendent's apartment and 2 professional spaces. The building is listed in the Department of Finance's records as a 13 story fire proof elevator apartment house consisting of 92,697 square feet of which 5,000 square feet is professional offices. The building will not be altered.

The setting of an assessed value is a subjective determination of an assessor. In determining the assessed value the assessor will take into consideration the estimate of rental values, an estimate of expenses for the operation of this property, and a capitalization rate (rate of return). The assessor, armed with this information, will arrive at an assessed value. There is no hard and fast formula for setting an assessed value. Differences in estimating rental value, operating expenses and different capitalization rates will create differences in assessed value. Sometimes these differences, even small differences, can markedly change the assessed values.

The New York City Department of Finance Real Property Assessment Division currently employs three recognized methods of appraisal in order to arrive at an assessed value. These methods are, the cost of construction method, the capitalization of pre real estate tax net income method and the comparable sale price method.

The cost of construction method is based on the idea that the value of a property is reflected by the hard and soft costs of construction, plus the cost of the land.

Capitalization of pre real estate tax net income is based upon the principal idea that the estimated pre real estate tax net income generated by the property, divided by the rate of return (adjusted for the payment of real estate taxes), yields an estimate of market value.

The comparable sale price method arrives at a value by surveying market prices of similar type properties.

In setting an assessed value, the assessor will typically use one, two or a combination of all three methods to arrive at an assessed value.

Based upon information provided to us, by your office, including the cost of acquisition, and the estimate of possible rental values we arrived at an estimate of rental income and operating expenses. We estimate the taxable assessed value for the 104 apartments and 2 professional offices upon conversion to a condominium to be approximately $4,711,500.

In preparing our estimate we have relied on the capitalization of pre real estate tax net income to set the assessed value. We believe the capitalization of net income is the most reliable method to set an assessed value. Set forth below is our analysis and estimate.

Estimated gross income for 104 residential apartments and 2 professional offices	$ 2,224,854
Laundry	$ 11,100
Total	$ 2,235,954
Estimated Expenses (based on Sponsor's estimate for the first year) before real estate taxes and management, adjusted for legal and accounting, repairs and maintenance fees, miscellaneous expenses, painting and decorating fees, water/sewer taxes and 1% for reserve for replacement	$ 840,282
Pre Real Estate Tax Net Income	$ 1,395,672
Equalized Cap rate @ 7.75 plus 45% of the 2005/2006 Class 2 tax rate of 12.396 per hundred	13.33%
Full Market Value Rounded	$10,470,000
Estimated actual assessed value @ 45% of full value rounded	$ 4,711,500
Estimated transitional assessed value	$ 3,976,200
2005/2006 Class 2 Tax Rate of 12.396 per hundred multiplied by estimated transitional assessed value = estimated real estate taxes rounded	$ 492,890

Our analysis relied upon estimated rentals and expenses derived from information provided to this firm by your office. The documentation included a current rent roll listing 104 rental apartments seven of which are vacant and two professional apartments. For the vacant apartments we used a market rent. You also provided us with an estimate of operating expenses.

The New York City Department of Finance posted a tentative assessment for the property for tax year 2006/2007 of $3,618,000. Based on the tentative assessment (which is subject to change) and the 2005/2006 Class 2 Tax Rate of 12.396%, the 2006/2007 real estate taxes would be approximately $448,500.

This letter was prepared by the undersigned and was based solely upon information supplied to us by the owner and/or his representatives. No governmental agency has passed upon our estimated assessed value or commented on the estimates provided to us by the sponsor. The opinion expressed in this letter is the opinion of the undersigned and does not necessarily express the opinion of any City department involved in the assessment process. While we believe our opinions are founded in reasonable assumptions, our

opinion of the undersigned and does not necessarily express the opinion of the Department of Finance or the Real Property Assessment Bureau or any other City department involved in the assessing process. Conclusions reached by these departments may be different from the undersigned's and may result in a radically different determination. Small differences in income, expenses and capitalization rates can markedly change an estimated assessed value.

We agree to the inclusion of this letter in an offering plan, submitted for the premises to the Department of Law of the State of New York.

Very truly yours,

Arnold Mazel

AM:dm

WORKING CAPITAL FUND, APPORTIONMENTS AND RESERVE FUND

Working Capital Fund.

Concurrently with the First Unit Closing, Sponsor will contribute the sum of $5,000 to the Working Capital Fund. In addition, at the closing of title to each Unit, the Condominium will collect two months' Common Charges from each Purchaser for its working capital (the "Working Capital Fund"). This fund is to be used initially to pay any of the Condominium's closing adjustment expenses incurred as of the date of the First Unit Closing.

As of the date of the First Unit Closing, Sponsor will apportion with the Condominium the following items as of midnight of the day preceding the First Unit Closing:

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

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

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

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

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

(6) cost of Building supplies on hand at Sponsor's cost (including sales tax);

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

(8) management fees; and

(9) other customary closing adjustments.

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

If the result of the closing adjustments is a net credit in favor of the Condominium, Sponsor will contribute the amount of such net credit to the Working Capital Fund. If the result of the closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be deferred and paid to Sponsor by the Condominium in four installments beginning 90 days after the first anniversary of the First Closing, with interest at the rate of six (6%) percent per annum, pursuant to an unsecured, negotiable, promissory note to be executed by the Condominium Board and delivered to Sponsor on the 90th day subsequent to the First Closing. Such promissory note may be prepaid in whole or in part at any time, without penalty.

The Working Capital Fund will be held and used for working capital, a reserve for repairs or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented by allocations from the monthly Common Charges collected from each Unit. While Sponsor controls the Condominium Board (see the Section entitled, "Control By Sponsor"), the Working Capital Fund will not be used to reduce Common Charges. At the closing of title to each Unit, Sponsor will collect two months' Common Charges from each Purchaser for the Condominium's working capital (the "Working Capital Fund"). Thereafter, Sponsor will be reimbursed in the same amount by a Unit Purchaser when each Unit is sold. This fund is to be used initially to pay any of the Condominium's closing adjustment expenses incurred at the First Unit Closing.

Reserve Fund.

The New York City Council has enacted Local Law 70 which amends Chapter 51 of the Administrative Code of the City of New York (hereinafter the "Reserve Fund Law"), which is set forth in Part II of this Plan. The Reserve Fund Law requires Sponsor of an offering plan for the conversion of a building from rental to condominium status to establish a reserve fund (the "Reserve Fund") to be used exclusively for making certain capital repairs, replacements and improvements necessary for the health and safety of the residents of such building. The Reserve Fund shall be in addition to the Working Capital Fund.

While Sponsor is in control of the Board of Managers, neither the Reserve Fund nor the Working Capital Fund may be used to reduce the Common Charges as projected in Schedule A of this Plan.

Sponsor shall, within 30 days after the First Unit Closing, establish and transfer to the Condominium Board, a Reserve Fund in an amount equal to either:

(a) three (3%) percent of the sum of the cost of all Units offered for sale pursuant to this Plan at the last price which was offered to tenants in occupancy of the Building prior to the Effectiveness Date of this Plan regardless of the number of sales made (the "Total Price"), or

(b) the aggregate of: (i) three (3%) percent of the actual sales prices of all Units offered for sale pursuant to this Plan which are sold by Sponsor at the

Effective Date of this Plan, provided, however, that if such amount is less than one (1%) percent of the Total Price, then the Reserve Fund shall be established as a minimum of one (1%) percent of the Total Price; plus (ii) supplemental contributions to be made by Sponsor at a rate of three (3%) percent of the actual sales price of Units for each Unit offered for sale under this Plan held by Sponsor and sold to *bona fide* purchasers subsequent to the Effective Date of this Plan and within five years of the First Unit Closing notwithstanding that the total amount contributed may exceed three (3%) percent of the Total Price, and provided further, that if five years from 30 days after the First Unit Closing, the total contributions by Sponsor to the Reserve Fund are less than three (3%) percent of the Total Price, Sponsor shall pay the difference between the amount contributed and three (3%) percent of the Total Price. The supplemental contributions made under this subparagraph (ii) shall be made within 30 days after each sale of a Unit under this Plan.

The Reserve Fund may not be reduced by closing adjustments but Sponsor may receive credit against the mandatory initial contribution for the actual cost of capital replacements begun after this Plan is submitted for filing to the Department of Law and before this Plan is declared effective. Such credit may not exceed the lesser of the actual cost of the capital replacements or one (1%) percent of the Total Price.

The exact amount of the Reserve Fund under the Reserve Fund Law cannot be determined until the First Unit Closing since it depends on which option Sponsor chooses under the Reserve Fund Law. Under no circumstances will the Reserve Fund be less than two (2%) percent of the Total Price. No Purchaser will be entitled to rescind his Purchase Agreement solely because the actual amount of the Reserve Fund is less than the estimated amount.

The Reserve Fund Law also requires Sponsor, not later than the 30th day following the Filing Date of this Plan and until the First Unit Closing, to post and maintain in a prominent place accessible to all tenants in the Building a list of all violations of record against the Building as determined by the Department of Buildings and the Department of Housing Preservation and Development. All newly issued violations must be posted within 48 hours of their issuance. Sponsor hereby designates the management office at the Building where such listing will be made available for inspection by the tenants.

In the event that at any time prior to the First Unit Closing, the Reserve Fund Law is repealed, Sponsor will not be obligated to comply with its requirements and may not provide a Reserve Fund. In such event, all Purchasers will be given fifteen days after receipt of an amendment disclosing such repeal of the Reserve Fund Law to rescind their Purchase Agreements and be refunded all monies paid thereunder. In the event that on or after the First Unit Closing, the Reserve Fund Law is repealed, Sponsor agrees to comply with its requirements as set forth in this Plan notwithstanding such repeal.

The means and options available to the Condominium to finance needed capital expenditures (such as renewal or replacement of building components or systems or to remedy major building defects) include (i) special assessments to the Unit Owners, or (ii) the Board of Managers borrowing money in the name of the Condominium from a lending institution, which may be in the form of a line of credit, which may be unsecured or may be secured by, among other things, an assignment to the lending institution of Common Charges payable by the Unit Owners.

If additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a special assessment against the Unit Owners. The Reserve Fund may not be used to reduce Common Charges. No representation can be made, however, that after Sponsor relinquishes control, the Condominium Board may not decide to use the Reserve Fund for a purpose other than for which it has been established.

As long as Sponsor retains control of the Board of Managers, the Reserve Fund shall not be used to reduce estimated Common Charges.

THE PROPERTY IS BEING OFFERED IN ITS CURRENT CONDITION "AS IS", WITH NO REPRESENTATIONS OR UNDERSTANDINGS EXCEPT AS EXPRESSLY SET FORTH HEREIN. SPONSOR WILL HAVE NO OBLIGATION TO MAKE ANY REPAIRS OR IMPROVEMENTS EXCEPT AS MAY BE SPECIFICALLY SET FORTH IN THIS PLAN OR REQUIRED BY LAW. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND OR UPON THE PHYSICAL CONDITION OF THE BUILDING.

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

MANAGEMENT AGREEMENT, RESIDENT MANAGER'S LEASE AND OTHER CONTRACTUAL AGREEMENTS

Management Agreement.

At the First Unit Closing, the Board of Managers will enter into a written management agreement with Charles H. Greenthal & Company (the "Managing Agent"), maintaining an office c/o Two Park Avenue, New York, New York 10016-4001 effective as of the First Unit Closing, at an annual fee of $48,000 payable in monthly installments plus customary fees for other services requested by the Condominium or the Unit Owners from time to time. The management agreement shall have an initial term of two years and will be automatically renewed thereafter at an annual fee equal to five (5%) percent of the gross income of the Condominium. Thereafter, either the Board of Managers or the Managing Agent may terminate the agreement, by giving the

other party at least 30 days prior written notice. For a description of the services to be performed by the Managing Agent, see "Rights and Obligations of Board of Managers; Summary of By-Laws".

The services to be rendered by the Managing Agent will include billing and collection of common charges, hiring and discharging of employees, supervision of routine building maintenance and repairs, purchase of supplies for the building (which will be paid for by the Condominium), bookkeeping and payroll services, and attendance at Managers' and Unit Owners' meetings, at no extra charge. The Managing Agent will make no repair expenditures in excess of $2,000, without the authorization of the Board of Managers of the Condominium, except in the case of emergencies.

The Condominium, at its own expense, will retain a certified public accountant to maintain the Condominium's books and records, and to prepare annual financial reports and tax statements for the Condominium, said statements to be furnished to Unit Owners of the Condominium.

The Condominium will be obligated to reimburse the Agent for expenses incurred or to indemnify the Agent against liability for acts properly performed by it pursuant to the Agreement.

Subsection 3 of Section GBL 352-eeee requires that all Residential Units occupied by non-purchasing Existing Tenants shall be managed by the same managing agent who manages all other Residential Units in the Condominium. Such managing agent is required by law to provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. Sponsor guarantees the obligation of the managing agent to provide all such services and facilities until such time as Sponsor surrenders control to the Board of Managers, at which time the Condominium shall assume responsibility of all services and facilities required by law on a non-discriminatory basis.

Resident Manager's Lease.

The apartment occupied by the Resident Manager, 4F, will be owned by Sponsor. Sponsor will retain title to Unit 4F for a period of no less than ten years subsequent to First Unit Closing. As of the First Unit Closing, Sponsor will enter into a lease with the Board of Managers of the Condominium for a ten-year term. The base rent for the initial year of the lease term shall be $1,250 per month (the "Resident Manager's Lease"). Thereafter, the base rent under the Resident Manager's Lease shall increase by three (3%) per annum. In addition, after the first lease year, the Condominium will be liable to pay Sponsor, as additional rent, any increase in the Common Charges or real estate taxes for the Unit over the costs for those items during the first year of operation of the Condominium. The costs of repairs undertaken by the Board of Managers in the Resident Manager's Unit shall be borne by all Unit Owners as a general common expense included in the Common Charges.

Sponsor has no obligation to renew the Resident Manager's Lease at the conclusion of the ten-year term. Upon the expiration of the Residential Manager's Lease, it will then be the responsibility of the Board of Managers of the Condominium to lease or purchase another apartment for use by the Resident Manager.

Sponsor has further agreed that in the event that during the term of the Resident Manager's Lease, a one-bedroom A-Line or K-Line Unit located below the ninth floor that has not be previously combined with an adjacent Unit becomes available, the Condominium Board may, at its sole option, elect to terminate the Resident Manager's Lease for Unit 4F and enter into a new lease for such available Unit (a "Substitute Unit"). The new lease for the Substitute Unit shall be for the then remaining term of the Resident Manager's Lease, except that the base rent for initial year of the term will be equal to $1,750 per month reflecting the value of the larger apartment and provided further that the base rent shall be determined as if the lease for the Substitute Unit commenced as of the date of the first closing and shall take into account the three percent annual increase for each subsequent year of Condominium operation. The rent for the Substitute Unit shall also increase of three (3%) percent per annum for each year of the lease term thereof. In addition, for the purpose of establishing a base year for the real estate tax and common charge calculation, the first year of Condominium Operation shall be used. For purposes of the budget for the first year of Condominium Operation set forth in Schedule B, the projected cost of the Resident Manager's Lease assumes that the Board has exercised its option to enter into a lease for a Substitute Unit and, accordingly, reflects the rent that would be payable with respect to the larger apartment.

Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Residential Unit 4F or a Substitute Unit located in a line other than the A-Line or the K-Line to lease to the Condominium Board as the Resident Manager's apartment; provided, however, that such substitution shall only be made pursuant to an amendment to the Plan and shall not result in the Board incurring costs during the first year of Condominium Operation, which exceed the cost of leasing A-Line or the K-Line Unit as set forth in Schedule B by more than 25 percent.

Other Contractual Arrangements.

Upon commencement of operation of the Condominium, the Property will be subject to the maintenance, service and concession agreements described in Schedule B. Until the Declaration of Condominium is recorded, Sponsor reserves the right to extend any or all of such service or concession contracts, or to renew or replace any such contracts which may expire prior to such date. No such contract will be for a term expiring later than one year after Sponsor loses control of the Board of Managers, unless the contract is subject to cancellation by the Board of Managers following expiration of said one year period upon not more than 90 days written notice. Sponsor will endeavor to obtain all such renewal and replacement contracts on terms competitive with those generally prevailing in the area of the Property.

IDENTITY OF PARTIES

Sponsor.

Sponsor is Hampton Associates LLC, a New York limited liability company, with an office in care Goldfein Properties Co., 60 East 42nd Street, Suite 2015, New York, NY 10024. Sponsor was formerly a New York general partnership which acquired title to the Property from a related entity in December, 1986. The entity was converted to a limited liability company in January 1995. Robert J. Goldfein and Stanley F. Goldfein are the managers of Hampton Associates LLC and are principals of Sponsor. Messrs. Goldfein and Ms. Cohen have more than 30 years experience in the ownership and management or multi-family residential properties. Doris G. Cohen, the Trust for the benefit of Myles Goldfein and the Trust for the benefit of Roanne P. Goldfein (collectively, the "Trusts") are also principals of Hampton Estates LLC. Stanley F. Goldfein is the trustee of such Trusts. Messrs. Goldfein, Ms. Cohen and the Trusts have been principals of Sponsor in offering plans to convert the following buildings to cooperative ownership: 166 East 35th Street, 300 East 71st Street, 288 Lexington Avenue and 430 West 34th Street, all located in New York, New York and holder of unsold shares for apartments located at 3210 Arlington Avenue, 2390 Palisade Avenue, 2736 Independence Avenue, 2550 Independence Avenue and 2711 Henry Hudson Parkway, all located in Riverdale, New York. Robert J. Goldfein and Doris G. Cohen have also been principals of Sponsor in the conversion of 210 West 19th Street to condominium ownership. Robert J. Goldfein and Doris G. Cohen are also principals of the holder of unsold shares for premises known as 645 West 239th Street, Riverdale, New York, 754-800 Bronx River Road, Yonkers, New York, and 281 Garth Road, Scarsdale, New York. The principals of Sponsor have always been current with respect to their obligations in connection with unsold shares and unsold units at the aforementioned properties. The offering plans for the properties listed above are available for inspection at the offices of New York State Department of Law.

Attorney for Sponsor.

Sponsor has retained Goldberg, Weprin & Ustin, LLP having an office at 1501 Broadway New York, New York 10036, to represent it in connection with the Plan. Lisa R. Radetsky, Esq. of Goldberg, Weprin & Ustin, LLP prepared the Plan, and the forms of Purchase Agreement, Unit Deed and Unit Power of Attorney and has also rendered an opinion with respect to the availability of income tax deductions to Purchasers of Units and the real estate taxes payable by the Unit Owners subsequent to the conversion of the Property. Goldberg, Weprin & Ustin, LLP will serve as Escrow Agent and may represent Sponsor in connection with matters relating to Closings of Units.

Selling Agent.

Metrobrokers LLC, licensed real estate brokers having an address at 60 East 42nd Street, Suite 2015, New York, New York 10165, is acting as the selling agent in connection with this Plan.

Engineer/Architect.

Howard Spivak Architects, P.C., 270 Lafayette Street, Suite 1307, New York, New York 10012-3327 prepared the Description of Property and the drawings of the Building to be annexed to the Declaration and the Floor Plans included in Part II hereof.

Condominium Budget Expert.

Buchbinder & Warren LLC, having an address at One Union Square West, New York, New York 10003, estimated all amounts of income and expenses in "Schedule B - First Year's Budget" in consultation with Sponsor. Said firm has rendered a Certification as to the adequacy of the First Year's Budget which may be found in Part II of the Plan.

Title Company.

Chicago Title Insurance Company, having an office at Avenue, 9th Floor, New York, New York 10017, has reviewed the Plan and the Condominium Documents and has committed to insure that a valid condominium will be created pursuant to the Condominium Act. Chicago Title Insurance Company is prepared to issue fee and/or mortgage title insurance policies to those Purchasers who request them.

Related Parties.

Sponsor and its principals have no affiliation with Buchbinder & Warren, LLC, the Condominium Budget Expert, Howard Spivak, the architect, Goldberg Weprin & Ustin, LLP, the attorneys for Sponsor, or any person or firm who will provide services to the Condominium subsequent to the First Closing. Robert J. Goldfein, a principal of Sponsor, holds an interest in Metrobrokers LLC. Neither the Condominium Budget Expert or the Architect have any financial interest in the Property, the Units, the Condominium, or this offering, except for their fees for services rendered.

REPORTS TO UNIT OWNERS

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

(1) a financial statement of the Condominium prepared by a certified public accountant within four months after the end of each fiscal year (such statement shall be certified while Sponsor is in control of the Condominium Board);

(2) prior notice of the annual Unit Owner's meeting; and

(3) a copy of the proposed annual budget of the Condominium within ten (10) days prior to the date set for adoption thereof by the Condominium Board (while Sponsor is in control of the Condominium Board, such budget shall be certified in compliance with the Attorney General Regulations).

DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection by prospective Purchasers, and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of six years from the date of First Closing. In addition, a set of Floor Plans showing the layout, locations and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Registers Office following the recording of the Declaration, and an additional set, together with a copy of the recorded Declaration, if available, will be furnished to the Condominium Board at the time of the closing of the first Unit.

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

SPONSOR'S PROFIT

Sponsor's predecessor in interest, an affiliate of Sponsor, purchased in the Building in 1954. Sponsor acquired the building in December, 1986. Sponsor is converting the Property to a condominium and undertaking the sale of the Units with the intention and expectation of making a substantial profit. However, the actual profit to be realized by Sponsor cannot now be

determined with certainty and will depend upon such variable factors as the actual price at which the Units are sold, the amount of the Offering Expenses incurred, the uncertainty of future market conditions, the length of time required to sell all of the Units offered under the Plan, losses and disbursements arising from obligations assumed by Sponsor under this Plan and other contingencies.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor makes the following representations concerning the description and condition of the Building and its improvements (including size of the parcel of land on which it stands and other information relating thereto). With reference to the Sponsor's preparation of such material, Sponsor consulted with Howard Spivak, Architect and commissioned a report from him. Sponsor adopts the Description of Property and Building Condition contained in Part II of this Plan.

Sponsor represents that Sponsor does not know of any material defects or need for major repairs or existing condition in the building except as set forth in the report and to the best of Sponsor's knowledge the following description set forth in such report accurately states the condition of the building and its equipment.

As of the date of the First Unit Closing, the number of Units in the Building will be the same as indicated on the Certificate of Occupancy. In addition, Sponsor has agreed to install a new sump pump in the Building prior to the First Unit Closing.

Any official inspection reports reflecting on the condition of the Premises, including the Facade Inspection Report, are reproduced in Part II of the Plan.

The Building does not comply with the requirements of the Americans With Disability Act (the "ADA"), a Federal Law enacted in 1990 imposing certain requirements regarding accessibility of facilities for use of disabled persons. Inasmuch as the Building was constructed in or about 1951 it is "grandfathered" and exempted from the compliance with the requirements of such Law.

The Units are being sold "as is" in the condition in which they exist at the time a Purchaser signs a Purchase Agreement subject to ordinary wear and tear. Sponsor will maintain and operate the Building until the First Unit Closing in substantially the same manner and condition as on the Filing Date of the Plan (subject to ordinary wear and tear) except to the extent Sponsor is precluded from so doing by Acts of God, fire or other casualty, storm, strikes, lockouts, labor difficulties, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which Sponsor is reasonably unable to exercise control. If for any of the reasons set forth in the preceding sentence, other than fire or other casualty, Sponsor is prevented from so maintaining the Building and the Common Elements (or causing the same to be maintained), Sponsor shall make or cause to be made, within a reasonable period of time after such act ceases to exist, any repairs subsequent to the First Unit Closing that it was obligated to make prior to the First Unit Closing.

GENERAL

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

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

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

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

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

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

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

The Property and the Building have not been the subject of a prior public offering made by Sponsor.

PART II

EXHIBIT A

PURCHASE AGREEMENT

EXHIBIT A

PURCHASE AGREEMENT
(to be executed in duplicate)

30 EAST 37TH STREET CONDOMINIUM

_____

_____

Purchaser(s) Name:_____

Address:_____

Telephone: Bus.:_____Home:_____

Social Security No.:_____

Unit No.:_____

Unit Purchase Price. . . . . $_____

Contract Deposit. . . . . $_____

Balance due at Closing . . . . . $_____

[1]Amount of Mortgage $_____
(for a term of not less than _____ years) ( ) variable ( ) fixed

Name(s) and manner in which title will be taken:

_____

[1]If Purchase Agreement is contingent on financing, see Subsections 4.3 through 4.6. If Purchase Agreement is not contingent upon financing, subsections 4.3 through 4.6 will be deleted.

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Schedule A - Encumbrances

30 East 37th Street Condominium
30 East 37th Street
New York, New York

PURCHASE AGREEMENT dated as of _____, 200__ by and among Hampton Associates LLC, a New York limited liability company having an address in care of Goldfein Properties Co., 60 East 42nd Street, New York, New York 10165, (herein referred to as "Sponsor" or "Seller"), and the party named on the cover page hereto ("Purchaser").

W I T N E S S E T H:

1. The Plan. Purchaser acknowledges having received and read a copy of "The 30 East 37th Street Condominium, for premises known as 30 East 37th Street, New York, New York", and all amendments thereto filed with the Department of Law of the State of New York (hereinafter collectively referred to as the "Plan" or the "Offering Plan") at least 72 hours prior to the execution of this Purchase Agreement (hereinafter referred to as the "Agreement" or the "Purchase Agreement") by Purchaser. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern.

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

3. The Unit. Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the unit ("Unit") designated on the cover page hereto, together with the applicable percentage of undivided interest in the Common Elements appurtenant thereto, upon and subject to the terms and conditions set forth herein.

4. Purchase Price.

4.1 The purchase price for the Unit ("Purchase Price") is $_____.

The Purchase Price is payable as follows:

(a) $_____ (the "Contract Deposit"), due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

(b) $_____, constituting the balance of the Purchase Price, by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

4.2 All checks shall be drawn on a New York bank or trust company which is a member of the New York Clearinghouse System. All checks in payment of the Contract Deposit stated on

the cover page of this Purchase Agreement shall be made payable to the direct order of "Goldberg Weprin & Ustin LLP, Escrow Agent for 30 East 37th Street Condominium" and all checks in payment of the Balance Due at Closing stated on the cover page of this Purchase Agreement shall be made payable to the direct order of "Hampton Associates LLC" or as Sponsor may direct on notice given no less than two (2) business days prior to Closing.

[2] 4.3 This Agreement is conditioned upon Purchaser obtaining a written mortgage loan commitment from a lending institution for a mortgage loan covering the Unit in the amount and type set forth on the cover page hereof.

4.4 Within five (5) days after Sponsor's acceptance and delivery of the fully executed Purchase Agreement, Purchaser must furnish to the lending institution of Purchaser's choice the information and data which such lending institution deems necessary to process Purchaser's mortgage application and execute and deliver to such lending institution the completed mortgage application and such other documentation as the lending institution may require. Sponsor shall have the right, but not the obligation, to cancel the mortgage financing contingency if Purchaser fails to submit evidence to Sponsor that he has applied for such mortgage financing within such five (5) day period. Purchaser shall have forty-five (45) days from the date Sponsor accepts and delivers the fully executed Purchase Agreement to obtain a written loan commitment for financing. In the event Purchaser fails to obtain a written loan commitment within such time period or in the event the loan commitment is subsequently withdrawn, Purchaser must notify Sponsor of same within five (5) days after the expiration of the contingency period. Unless waived by Sponsor, Sponsor shall then have sixty (60) days after receipt of such notice to secure a mortgage loan commitment for Purchaser from a lending institution of Sponsor's choice in the same amount and at the same or then prevailing interest rate. In the event no such financing is furnished, the Purchase Agreement may be declared null and void by either party by written notice to the other postmarked or delivered within five (5) days subsequent to such sixty (60) day period or notification to Purchaser that such financing will not be furnished, whichever is sooner. In such event, the Contract Deposit shall be returned to Purchaser with interest, if any. If such notice is not sent within such five (5) day period, this financing contingency clause shall be deemed waived. No other financing contingency is permitted by this Purchase Agreement. Notwithstanding anything to the contrary contained herein, Sponsor shall have no obligation to secure a mortgage loan for Purchaser from another bank.

4.5 If Purchaser's loan commitment expires and such expiration has occurred due to Purchaser's refusal to close title or Purchaser's delay in closing title, or in the event that the terms of the

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[2]Sections 4.3 through 4.6 to be deleted if Purchase Agreement is not contingent upon financing.

loan commitment are changed or the loan commitment is revoked as a result of Purchaser's acts or omissions, or Purchaser does not request a renewal or extension of the loan commitment in writing on a timely basis, the Purchase Agreement shall remain in full force and effect and Purchaser must pay the balance of the Purchase Price at closing or be in default hereunder.

4.6 Purchaser's failure to provide information to Purchaser's lending institution promptly upon request therefor or to accept a commitment issued to Purchaser on the terms set forth herein, shall constitute an event of default for which Sponsor shall have the right to cancel this Agreement as provided in Section 13 hereof.

5. Closing of Title.

5.1 The closing of title shall take place on the date and at the time and place Sponsor shall designate to Purchaser on no less than thirty (30) days' prior written notice to Purchaser. This notice period may be waived by Purchaser. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the Plan has been declared effective (unless Purchaser and Sponsor shall agree on an earlier Closing Date). Sponsor shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for the closing of title and shall give Purchaser not less than five (5) days' written notice of the new scheduled Closing Date. Purchaser shall be entitled to one reasonable adjournment of up to fifteen (15) days, on five (5) days' written notice by Purchaser to Sponsor.

5.2 The closing of title shall occur only after or concurrently with the compliance with the prerequisites as set forth under "Sponsor's Conveyance of Title to Units" in Part I of the Plan.[3]

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

6. Delivery of the Deed and Power of Attorney to the Condominium Board.

6.1 At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to Purchaser. The deed shall be prepared by Sponsor substantially in the form set forth as Exhibit C in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording.

6.2 Simultaneously with the delivery of the deed, Purchaser (i) shall cause the proceeds of any mortgage loan to be transferred to Sponsor on account of the total Purchase Price (as set forth on the cover page of this Agreement), (ii) shall execute and deliver to the mortgagee the note and

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[3]Recording charges, fees and taxes are based on the rates in effect on the date of the Plan and are subject to change without notice, provided however, Sponsor shall amend the Plan in the event that there are any material changes in such fees and taxes.

mortgage, and any other documents required by the mortgagee, as well as any documents required by Sponsor, (iii) shall deliver the Balance Due at Closing (as set forth on the cover page of this Agreement), and (iv) shall pay into the Working Capital Fund an amount equal to two (2) months' Common Charges attributable to the Unit.

6.3 At the closing of title, Purchaser shall pay all New York State and New York City real property transfer taxes, including the filing fee for the filing of the New York City Real Property Transfer Tax Return and Sponsor and Purchaser shall duly execute and swear to a New York City Real Property Transfer Tax Return (including the required Smoke Detector Affidavit) and a New York State Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate prepared by Sponsor.

6.4 At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board substantially in the form set forth as Exhibit B in Part II of the Plan.

6.5 The deed and said power of attorney to the Condominium Board shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present, then to Sponsor's attorney) for recording in the New York County office of the Register of the City of New York (the "City Register's Office"). Purchaser shall pay all recording fees for the deed and the power of attorney.

7. Marketable Title. At the closing of title, Sponsor shall convey to Purchaser good and marketable title in fee simple to the Unit, free and clear of all encumbrances other than those set forth in Schedule A annexed hereto and made a part hereof and mortgages, if any, covering the Unit, which Purchaser assumes. Any encumbrance to which title is not to be subject shall not be an objection to title if: (a) the instrument required to remove it of record is delivered to the proper party together with the recording or filing fees, or (b) Purchaser's title insurance company will insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

8. Closing Adjustments.

8.1 The following adjustment shall be made as of the Closing Date with respect to the Unit:

(a) real estate taxes and assessments, if any, (including water charges and sewer rates, if separately assessed), from midnight preceding the date of the Closing through the end of the tax period within which the Closing Date occurs, which shall be either a quarter of a year or one-half of a year provided, however, that Sponsor shall be reimbursed at Closing by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise pay but for an unauthorized delay in closing of title by Purchaser;

(b) Common Charges for the month in which title closes from midnight preceding the date of the closing provided, however, that Sponsor shall be reimbursed by Purchaser

for the cost of any Common Charges which Sponsor would not otherwise pay but for an unauthorized delay in closing of title by Purchaser;

(c) accrued rent and any other charges pursuant to a lease, including the security deposit, if any, covering the Unit; and

(d) such other items as are customarily included in closing adjustments in the City of New York.

8.2 If the Unit has been assessed separately but the closing of title occurs before the real estate tax rate ("Tax Rate") is fixed, adjustment of taxes shall be based upon the latest Tax Rate applied to the most recent assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been assessed separately as of the Closing Date for the then current tax period, the adjustment under subsection 8.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein.

8.3 Real estate taxes, assessments, if any, Common Charges, rent and security deposits, if applicable, shall be adjusted between Sponsor and Purchaser as of midnight preceding the Closing Date, provided, however, if the closing of title is delayed by Purchaser, adjustments shall be as of midnight preceding the date originally scheduled as the closing date, as such date may be adjourned by or with the consent of Sponsor.

8.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date (a) the closing apportionments described in Section 9.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.05 percent of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

9. Closing Costs. Purchaser shall pay the following costs and expenses at the time of closing of title:

(a) if Purchaser elects to obtain fee title insurance, Purchaser will pay a premium therefor at rates to be determined by its title company; (b) the fee to City Register for recording the Condominium Unit Deed to City Register; (c) the fee to City Register for recording the power of attorney for the Condominium Board; (d) New York State Real Estate Transfer Tax (including the "Mansion Tax", if applicable) and New York City Real Property Transfer Tax; (e) the fee for filing the New York City Real Property Transfer Tax Return; (f) the contribution to the Working Capital Fund in the amount of two months' Common Charges per Unit payable to the Condominium Board; (g) the fees of Sponsor's attorneys as set forth in Section L of the Plan; and (h) if Purchaser obtains a mortgage loan, Purchaser will pay: (i) Sponsor a sum cqual to the partial mortgage tax credit available pursuant to Section 339-ee(2) of the New York Real Property Law with respect to the mortgages encumbering the Unit and its appurtenant interest in the Common Elements, if available, (ii) mortgage recording tax on an amount equal to the principal amount of the mortgage loan, (iii) mortgage title insurance policy costs, and (iv) recording fee of approximately $200 for recording the mortgage.[3]

In addition, if Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all closing costs and expenses in connection therewith in the amounts determined by such lender. These costs customarily include, among others: (i) commitment fee, (ii) origination fee, (iii) application fee, (iv) credit fee, (v) Lender's attorney's and appraisal fees, and (vi) other closing costs and expenses, if any, charged by the lending institution.

10. Monies to be Held in Trust; Payment of Purchase Price; Notice of Closing.

10.1 The Contract Deposit required pursuant to this Agreement is ten (10%) percent of the total purchase price for the Unit. All monies received by Sponsor through its agents or employees pursuant to this Purchase Agreement will be deposited with, in an interest-bearing account entitled "Goldberg Weprin & Ustin, LLP, Escrow Account" or similar name, with Sterling National Bank at its branch located at 512 Seventh Avenue, New York, New York 11747 in accordance with Section 71-a(3) of the Lien Law. The Escrow Agent will hold and dispose of said monies in accordance with the terms of the Plan and in accordance with the escrow and trust provisions of Sections 352(h) and 352-e2(b) of the New York General Business Law and the regulations promulgated by the Attorney General. The monies received under each Purchase Agreement may not be withdrawn from the escrow account until (a) Sponsor and an authorized signatory of the law firm of Goldberg Weprin & Ustin LLP agree in writing to withdraw such monies and (b) either (i) title to the Unit is transferred to Purchaser, in which event the Escrow Agent shall

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[3]Recording charges, fees and taxes are based on the rates in effect on the date of the Plan and are subject to change without notice, provided however, Sponsor shall amend the Plan in the event that there are any material changes in such fees and taxes.

deliver said monies to Sponsor at closing and shall deliver to Purchaser, within a reasonable time thereafter, the interest earned on such monies or (ii) the Purchase Agreement is cancelled, in which case such monies and the interest earned thereon, if any, shall be paid to the party entitled to receive the same as set forth in the Purchase Agreement. Except as provided by law, Contract Deposits, with accumulated interest, if any, shall remain the property of Purchaser until paid to Sponsor except as provided by law.

10.2 Contract Deposit will be retained in escrow as set forth above until: (i) Sponsor performs under the terms of the Purchase Agreement, (ii) Purchaser rescinds or defaults in performance, thereby excusing performance by Sponsor (iii) release or discharge of Sponsor's liability to refund such Contract Deposit, (iv) transfer of title to the Unit to Purchaser, or (v) withdrawal by mutual consent of Sponsor and Purchaser.

10.3 Anything contained in this Purchase Agreement to the contrary notwithstanding, in the event of an uncured default by Purchaser in his obligations under the Purchaser Agreement, no more than ten (10%) percent of the Purchase Price plus any interest earned thereon plus the cost of any custom work performed by Sponsor, if applicable, may be retained as liquidated damages. Alternatively, and not by way of an election of remedies, Sponsor may seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser.

10.4 The balance of the Purchase Price will not be payable until closing of title to the Unit.

10.5 Following the declaration of effectiveness of the Plan, Purchaser will be given at least thirty (30) days' prior written notice of the Closing Date for his Unit. The notice to Purchaser shall also specify when Common Charges will be due and payable.

11. Binding Effect of Declaration, By-Laws and Rules and Regulations. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

12. Mortgage to be Released or Subordinated. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. 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 his other obligations hereunder or be the basis for any claim against, or liability of,

Sponsor, provided that any such mortgage is subordinated to the Declaration or the Unit is released from the lien of such mortgage.

13. Default by Purchaser. If Purchaser shall fail to pay any portion of the Purchase Price or the contribution to the Working Capital Fund when due, fails to close title on the date, hour and place specified by Sponsor pursuant to Section 5 hereof or fails to perform any of Purchaser's other obligations hereunder (including, without limitation, the obligation to furnish the Selling Agent and/or any lender promptly with such information as the Selling Agent and/or such lender may require, and the obligation to accept a commitment letter on the terms set forth in this Agreement), such failure shall constitute a default by Purchaser. Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days after Sponsor gives written notice to the Purchaser to cure such default.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS AGREEMENT ON OR BEFORE THE EXPIRATION OF SUCH THIRTY (30) DAY PERIOD.

If such default is not cured within thirty (30) days of such written notice, Sponsor has no obligation to extend the time to cure and may (but shall not be obligated to) elect to cancel the Purchase Agreement. In such event, the amounts specified in subsection 10.4 of this Agreement shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. In the event that Sponsor shall elect to cancel this Agreement, Sponsor shall certify to its attorneys, Goldberg Weprin & Ustin LLP that title has not closed because of Purchaser's default, that a notice to cure the default was delivered to Purchaser and Purchaser has failed to cure the default within thirty (30) days after Sponsor gives written notice to the Purchaser and that Sponsor has elected to cancel this Purchase Agreement by reason thereof, and Goldberg Weprin & Ustin LLP shall thereupon notify the holder of sums paid by Purchaser hereunder, as set forth in Section 10 hereof, to pay over to Sponsor as liquidated damages the Contract Deposit, and any interest earned thereon, and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If this Purchase Agreement shall be cancelled by Sponsor pursuant to the provisions of this Section 13, Sponsor may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Goldberg Weprin & Ustin LLP may rely upon the truth and accuracy of the facts contained in Sponsor's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

14. Agreement Subject to Plan Being Effective; Sponsor's Right to Cancel.

14.1 This Purchase Agreement is contingent upon Sponsor declaring the Plan effective pursuant to the terms and requirements of the Plan and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. The Plan may be abandoned or withdrawn by Sponsor at any time prior to its being declared effective and before 80 percent of the Units have been purchased. Once the Plan has been declared effective, the Sponsor may not abandon the Plan for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than 0.5 percent of the total offering plan, or (ii) work orders

of a mortgagee or violations that cannot be cured for less than 0.5 percent of the total offering plan, or (iii) substantial damage or destruction of the Building or any portion thereof by fire or other casualty which cannot be cured for less than 0.5 percent of the total offering plan (as estimated by the insurance adjuster retained by Sponsor), or (iv) the taking of any material portion of the Property by condemnation or eminent domain. Sponsor shall have no obligation to incur any expenses or engage in litigation to cure title defects.

14.2 If the Plan is abandoned or does not become effective, this Purchase Agreement shall be deemed cancelled. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in Section 5 hereof, or in the Plan, for any reason other than Purchaser's default, then Purchaser shall have the option to cancel the Purchase Agreement and to have the Contract Deposit refunded pursuant to Section 5 hereof. Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations hereunder.

15. Equipment and Furnishings. The Unit is being sold in its "AS IS" condition on the date hereof and Sponsor will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings contained in the Unit on the date hereof unless otherwise agreed in writing. Furnishings, equipment, appliances and decorations in any model unit or sales office that are not in the Unit, referred to in the Plan or otherwise referenced in this Purchase Agreement are excluded from this sale.

16. Acceptance of Condition of Unit; Risk of Loss.

16.1 Purchaser shall accept title (without abatement in or credit against the Purchase Price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit, or the Building, or (b) other Units, or (c) portions of the Common Elements are not completed. Purchaser will examine his Unit, if applicable, with a representative of the Sponsor during normal business hours prior to the Closing Date.

16.2 Prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Sponsor or the Selling Agent. Purchaser shall have the right to enter and inspect such Unit prior to the closing of title but shall be obligated to make an inspection appointment with Sponsor or the Selling Agent. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the closing of title thereto.

16.3 Purchaser represents to Sponsor that he has examined the Unit, if any, and agrees that his execution of this Purchase Agreement shall constitute acceptance of the Unit and the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of this Purchase Agreement and the Closing Date and subject to any obligations of Sponsor under the terms of the Plan.

16.4 The risk of loss from fire or other casualty with respect to the Unit shall remain with Sponsor until the closing of title for the particular Unit. Notwithstanding the above, in the event that (i) Purchaser enters into actual possession of a Unit prior to the closing of title, or (ii) another person

enters into actual possession of a Unit and prior to the closing of title at the direction of Purchaser, then Purchaser shall bear the risk of loss or other casualty with respect to that Unit.

17. Possession of Unit Prior to Closing. It is expressly understood and agreed that Purchaser shall in no event take possession of the Unit, prior to the time of delivery of the deed and full compliance by Purchaser with the terms of this Agreement, and should Purchaser violate this provision, Purchaser consents that Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon Purchaser's unauthorized possession, Purchaser shall be deemed in default hereunder at the option of Seller, and if Seller so elects, Seller may cancel this Agreement and the amount deposited hereunder shall belong to Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that Seller will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the Property before, on or after the closing of title herein.

18. No Representations. Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, Building, or the size or dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as specifically represented herein and/or in the Plan, Purchaser having relied on his own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor except as specifically set forth herein or in the Plan. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit, without offset or any claims against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans, is accurate or correct, provided the layouts and dimensions conform substantially to such Floor Plan and (b) that Purchaser shall not be relieved of any of his obligations hereunder by reason of any minor inaccuracy or error, or due to minor defects in workmanship. The provisions of this Section 18 shall survive the closing of title.

19. Broker. Purchaser represents to Sponsor that Metrobrokers LLC is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction and Sponsor agrees to pay the commission earned by said broker, if any, pursuant to separate agreement. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker other than the aforementioned broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold free and harmless Sponsor from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Section 19 shall survive the delivery of the deed.

20. Agreement May Not Be Assigned. Purchaser shall not have the right to assign this Agreement without the prior written consent of Sponsor.

21. Binding Effect. This Agreement shall not be binding on Purchaser or Sponsor until a fully executed copy hereof has been furnished to Purchaser. If this Agreement is not accepted within 30 days from the date hereof by furnishing to Purchaser a fully executed copy, this Agreement shall be deemed to have been rejected and cancelled and the deposit paid on the execution hereof, with interest accrued thereon, if any, shall be returned promptly to Purchaser.

22. Notices. Any notice, request or other communication hereunder or under the Plan shall be in writing and sent, postage prepaid, by registered or certified mail, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this Agreement, with a copy to Goldberg Weprin & Ustin LLP, 1501 Broadway, New York, New York 10036, Attention: Lisa R. Radetsky, Esq., or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, all such notices and communications shall be deemed to have been received on the date of personal delivery or on the fifth day after mailing.

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

24. Liability of Sponsor. Sponsor shall not have any liability to Purchaser 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 either as a Contract Deposit by Purchaser hereunder if the transaction does not close or paid to Sponsor on the sale of the Unit to Purchaser after payment of, or reserve for, any liabilities of Sponsor arising out of the consummation of the transactions contemplated in the Plan, subject, however, to the provisions of the New York State General Obligations Law, the General Business Law and 13 NYCRR-Part 20.

25. Right of Recision. Purchasers who have not had an opportunity to review the Plan and any filed amendments for at least three (3) days prior to their executing a Purchase Agreement shall be given seven (7) days, after delivering an executed Purchase Agreement, together with the required Contract Deposit, to rescind the Purchase Agreement and have the full Contract Deposit refunded promptly. Such recision must be in writing, addressed and sent to Sponsor at Sponsor's address as set forth herein, and be postmarked or hand delivered by midnight of the seventh day subsequent to Purchaser's executing and delivering such Purchase Agreement.

Purchasers who execute a Purchase Agreement after having had an opportunity to review the Plan and any filed amendments for not less than three (3) days prior to their executing a Purchase Agreement shall not be permitted the aforementioned time period to rescind for any reason.

26. Further Assurances. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request, in order to effect the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

27. Severability. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

28. Strict Compliance. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

29. Governing Law. The provisions of this Agreement shall be governed by the laws of the State of New York.

30. Waiver of Jury. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement, or the relationship created hereby. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

31. Entire Agreement. This Agreement supercedes any and all understandings and agreements between the parties and constitutes the entire agreement between them.

32. 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 otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Agreement.

33. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

34. Successors and Assigns. Subject to the provisions of Section 20 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

35. No Oral Changes. This Agreement cannot be changed or terminated orally.

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

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

HAMPTON ASSOCIATES LLC

By:_____
Robert J. Goldfein, Manager

Purchaser(s):

_____

_____

SCHEDULE A

Encumbrances

1. Zoning and building regulations, resolutions, restrictions and ordinances of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, provided same will not be violated by the contemplated structures and use.

2. State of facts shown in a survey made by Earl B. Lovell S.P. Belcher, Inc., dated February 16, 1951 and last redated on August 12, 2004.

3. The Declaration, the By-Laws (and the Rules and Regulations made thereunder), the power of attorney from Purchaser to the Condominium Board and maps and the Floor Plans, all as may be amended from time to time, to be recorded or filed in the City Register's Office.

4. Covenants recorded in Liber 484 of Conveyances, Page 593 and Liber 664, Page 151.

5. Set back agreements recorded in Liber 485 of Conveyances, Page 593, Liber 1514 of Conveyances, Page 59, and Liber 25, Section 3 of Conveyances, Page 453.

6. Agreement in Liber 4257 of Conveyances, Page 495.

7. Agreement regarding windows recorded in Liber 4668 of Conveyances, Page 579, affects easterly line.

8. Agreement as to westerly wall recorded in Liber 4748 of Conveyances, Page 255.

9. Consents by Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.

10. Any easement or right of use in favor of any utility company for construction, use, maintenance and repair of all utility lines, cable lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

11. Revocability of the right to maintain street vaults and other areas, under the sidewalks and streets.

12. All easements created by the Declaration.

13. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, ledges, window sills, balconies, sidewalk elevators, fences, fire escapes, vaults, chutes, fuel oil lines, drainage pipes, sewerage pipes, air conditioning units, canopies, cornices, foundations, footings and similar projections, retaining walls, if any, on, over, or under the Property or the streets or sidewalks abutting the Property and the rights of governmental authorities, and adjoining property

owners to require the removal of any such projections, and variations between record lines of the Property and fences, walls, retaining walls and the like, if any.

14. Leases and service, maintenance and license agreements, if any, in effect on the date of the First Unit Closing.

15. Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units, Limited Common Elements, or Common Elements on the Unit, existing as a result of construction of the Building, or construction of the Units, or which may have come or may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any portion thereof, or of any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of any alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units, the Limited Common Elements and the Common Elements.

16. Beams and beam rights and party walls and party wall agreements, if any.

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

18. All covenants, restrictions, reservations, agreements and easements of record which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent the use of any Unit at the Property for dwelling or commercial purposes, as the case may be, nor prevent the existence of the promised structure.

19. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, which shall be adjusted at the closing of title.

20. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date.

21. Any other declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulations, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction,

alteration, repair or restoration of the Building. Sponsor shall file an amendment to the Plan to reflect any such other declaration or other instrument affecting the Property which is not already disclosed herein.

22. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to his or her Unit and appurtenant interests.

23. Any encumbrance as to which Chicago Title Insurance Company would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrances (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling or commercial purposes, as the case may be.

24. Any other encumbrance against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling or commercial purposes, as the case may be, or which does not render title unmarketable, subject to the Permitted Encumbrances, or with respect to which a title insurance company is willing to insure against collection out of the Unit.

25. The terms, provisions and conditions of the Plan.

EXHIBIT B

CONDOMINIUM UNIT POWER OF ATTORNEY

CONDOMINIUM UNIT POWER OF ATTORNEY

Terms used in this Condominium Unit Power of Attorney which are used (a) in the Declaration ("Declaration") establishing a plan for condominium ownership of the premises known as 30 East 37th Street Condominium and by the street number 30 East 37th Street, New York, New York under Article 9B of the Real Property Law of the State of New York, dated _____, 2006, and recorded in the New York County office of the Register of The City of New York (the "City Register") on _____, 200___, in Reel _____, Page _____, or (b) in the By-Laws of 30 East 37th Street Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, having an address at _____ _____, the owner(s) of the Condominium Unit (the "Unit") known as Unit No. _____ in 30 East 37th Street Condominium, said Unit being designated and described in the Declaration and also designated as Tax Lot _____ in Block 866 of Section 3 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board (or in the name of their designee corporation or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1)(a) to acquire or lease any Unit, together with its Appurtenant Interests, as the case may be, from any Unit Owner desiring to sell, convey, transfer, assign, lease or surrender the same, (b) to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer under (a) or (b) above) at such price or at such rental, as the case may be, as said attorney-in-fact may determine, granting to said attorney-in-fact the power to do all things in the said Premises which the undersigned could do if the undersigned were personally present and (2) to execute, acknowledge and deliver and record in the City Register and elsewhere, if required by law, regulation or administrative practice such instruments and documents, including, without limitation (a) any declaration or other instrument affecting the Condominium which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals or any other public authority applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements which the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact. This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the _____ day of _____, 200___.

_____

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

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

_____
Notary Public

EXHIBIT C

CONDOMINIUM UNIT DEED

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the _____ day of _____, 200____, between Hampton Associates LLC, a New York limited liability company, having an address in care of Goldfein Properties Co., 60 East 42nd Street, Suite 2015, New York, New York 10165 (the "Grantor"), and _____ having an address at _____ (the "Grantee"),

WITNESSETH:

That the Grantor, in consideration of Ten Dollars ($10.00) and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit (the "Unit") known as Unit No. _____ in the premises known as 30 East 37th Street Condominium and by the street number 30 East 37th Street, Borough of Manhattan, County of New York and State of New York (the "Property"), said Unit being designated and described as Unit No. _____ in the Declaration Establishing a Plan for Condominium Ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), dated _____, 200__, in Reel _____, Page _____, and also designated as Tax Lot ___, in Block 866 of Section 3 of the Borough of New York on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of said building, certified by Howard Spivak, licensed architect, on _____, 200__, and filed with the Real Property Assessment Department of The City of New York on _____, 200__, as Condominium Plan No. _____ and recorded in the City Register's Office on _____, 200__, as Condominium Plan No. _____. The premises within which the Unit is located are more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the declaration or in the By-Laws of 30 East 37th Street Condominium. (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws.");

Together with an undivided _____% percent interest in the Common Elements:

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, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters of record as pertain to the Unit and/or to the Property as more particularly described in Schedule B attached hereto and made a part hereof.

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 New York Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the applicable provisions of Article 16 of the Declaration shall control.

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

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and By-Laws (and any Rules and Regulations adopted under the By-Laws).

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any purposes.

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

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

This conveyance is made in the regular course of business actually conducted by the Grantor.

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

HAMPTON ASSOCIATES LLC

By:_____
Robert J. Goldfein, Manager

_____
Grantee

_____
Grantee

STATE OF NEW YORK)

:ss.:

COUNTY OF)

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

_____

Notary Public

STATE OF NEW YORK)

:ss.:

COUNTY OF)

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

_____

Notary Public

SCHEDULE A

ALL THAT CERTAIN lot, 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 a point on the southerly side of 37th Street, distant 130 feet westerly from the southwesterly corner of Park Avenue and 37th Street;

RUNNING THENCE southerly parallel with Park Avenue, 98 feet 9 inches to the centre line of the block;

THENCE westerly along said centre line of the block, 108 feet;

THENCE northerly parallel with Park Avenue, 98 feet 9 inches to the southerly side of 37th Street; and

THENCE easterly along the southerly side of 37th Street, 108 feet to the point or place of BEGINNING.

SCHEDULE B

PERMITTED ENCUMBRANCES

1. Zoning and building regulations, resolutions, restrictions and ordinances of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, provided same will not be violated by the contemplated structures and use.

2. State of facts shown in a survey made by Earl B. Lovell S.P. Belcher, Inc., dated February 16, 1951 and last redated on August 12, 2004.

3. The Declaration, the By-Laws (and the Rules and Regulations made thereunder), the power of attorney from Purchaser to the Condominium Board and maps and the Floor Plans, all as may be amended from time to time, to be recorded or filed in the City Register's Office.

4. Covenants recorded in Liber 484 of conveyances, Page 593 at Liber 664, Page 151.

5. Set back agreements recorded in Liber 485 of conveyances, Page 593, Liber 1514 of conveyances, Page 59, and Liber 25, Section 3 of conveyances, Page 453.

6. Agreement in Liber 4257 of conveyances, Page 495.

7. Agreement regarding windows recorded in Liber 4668 of conveyances, Page 579, affects easterly line.

8. Agreement as to westerly wall recorded in Liber 4748 of conveyances, Page 255.

9. Consents by Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.

10. Any easement or right of use in favor of any utility company for construction, use, maintenance and repair of all utility lines, cable lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

11. Revocability of the right to maintain street vaults and other areas, under the sidewalks and streets.

12. All easements created by the Declaration.

13. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, ledges, window sills, balconies, sidewalk elevators, fences, fire escapes, vaults, chutes, fuel oil lines, drainage pipes, sewerage pipes, air conditioning units, canopies, cornices, foundations, footings and similar projections, retaining walls, if any, on, over, or under the Property or the streets or sidewalks abutting the Property and the rights of governmental authorities, and adjoining property

owners to require the removal of any such projections, and variations between record lines of the Property and fences, walls, retaining walls and the like, if any.

14. Leases and service, maintenance and license agreements, if any, in effect on the date of the First Unit Closing.

15. Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units, Limited Common Elements, or Common Elements on the Unit, existing as a result of construction of the Building, or construction of the Units, or which may have come or may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any portion thereof, or of any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of any alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units, the Limited Common Elements and the Common Elements.

16. Beams and beam rights and party walls and party wall agreements, if any.

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

18. All covenants, restrictions, reservations, agreements and easements of record which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent the use of any Unit at the Property for dwelling or commercial purposes, as the case may be, nor prevent the existence of the promised structure.

19. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, which shall be adjusted at the closing of title.

20. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date.

21. Any other declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulations, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction,

alteration, repair or restoration of the Building. Sponsor shall file an amendment to the Plan to reflect any such other declaration or other instrument affecting the Property which is not already disclosed herein.

22. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to his or her Unit and appurtenant interests.

23. Any encumbrance as to which Chicago Title Insurance Company would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrances (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling or commercial purposes, as the case may be.

24. Any other encumbrance against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling or commercial purposes, as the case may be, or which does not render title unmarketable, subject to the Permitted Encumbrances, or with respect to which a title insurance company is willing to insure against collection out of the Unit.

25. The terms, provisions and conditions of the Plan.

EXHIBIT D

ARCHITECT'S REPORT ON DESCRIPTION OF PROPERTY AND BUILDING CONDITION

Howard B. Spivak Architects PC

Physical Condition Report
30 East 37th Street
February 23, 2006



Howard B. Spivak, AIA

(a) Location and use of property.

The property is located at 30 East 37th Street in New York City. The block is number 866, the lot numbers are 48, 50 and 51. The current zoning is R-8B, that allows residential and community facility uses. The building is currently occupied and used as a residential apartment building, with medical office on the basement level.

(b) Status of construction.

Construction was completed in March of 1951. Class of construction is Old Code Type I Fireproof. A temporary certificate of occupancy, #38150 was issued, and then superseded by certificate of occupancy #38364 on April 9, 1951. As of the date of this report this certificate of occupancy is still in effect. For alteration permit #'s and information, please see attached. The alteration work involves the addition of convenience stair from a Doctor's office to storage in cellar, the addition of a recreation room in the cellar to be added to 1 duplex apartment; the combination of 2 apartments into 1 apartment on the 2nd floor, 3rd floor, and Penthouse; and the combination of 4 apartments into 2 apartments on the 10th floor. It should be noted that alterations have been approved which will revise the number of apartments in the building in accordance with the enclosed Schedule A; a revised Certificate of Occupancy will be forthcoming after the alterations are completed and signed off. The work is currently scheduled to be finished in spring 2006, at which time a revised Certificate of Occupancy should be issued to sponsor.

(c) Site.

The lot extends west for approximately 108-0" feet and is 98-9" deep. The lot is occupied by a single residential multi family dwelling consisting of a cellar, basement, 11 floors and a penthouse. The cellar is occupied with the boiler room, tank room, tenant laundry, electrical equipment room, compactor room, storage, and workrooms for the building staff. A portion of the basement is occupied with Doctors offices, with the remainder of the basement being residential and a public hallway. The doctor's offices all have individual means of egress to the exterior of the building. The first to 11th stories are of residential use and a common hallway, as is the penthouse. The roof bulkhead tower contains the elevator machine room, fan room, the tank room and a telecommunications room.

The building is divided into 2 doctors' offices in the basement, 6 duplex apartments occupying part of the basement and first floor, and 100 apartments, with other areas of

the building as noted above. It should be noted that alterations have been approved and as per the enclosed Schedule A the final count will be 2 doctor's offices in the basement, 1 duplex apartment with a recreation room in cellar, 5 duplex apartment occupying part of the basement and first floor, and 95 apartments with other areas remaining as noted above.

There are no streets owned by or maintained by the property.

There are no driveways or ramps on the property. The north side of the building fronts on a city owned sidewalk. The sidewalk is concrete paved and drains to the curb. Curbing and sidewalk do not appear to have any tripping hazards and are in fair condition. City lighting standards are located at the curb. Curbing and sidewalk appear to be in conformity with the local DOT sidewalk codes, and there are no outstanding sidewalk violations. The building is responsible for the maintenance of the sidewalk and snow removal from the sidewalk.

(d) Utilities.

Consolidated Edison provides utilities for the electrical power and natural gas. The electrical power is metered for each unit in the building with a separate meter for the common elements such as hallway and lobby. The individual unit occupiers are responsible for paying for their own electrical service. The building meters the gas service; there are no individual meters. The owners of the building are responsible for paying for the gas service. Water is provided by the City of New York; it is metered in the cellar, and not metered individually; the owners of the building pay for water. Sewer service is not metered, but paid for by the owners of the building. Telephone service is provided to each unit individually and paid for individually.

(e) Sub-soil conditions.

There are no apparent settlement conditions to indicate unstable subsoil conditions.

While the cellar of the building appears clean and dry, there is a sump pump located in the boiler room that is at a lower grade than the cellar. The sump pump is located under the stairs from the cellar to the boiler room. The pump is connected to the house drain, and has a check valve to prevent inflow from the street. The pump, activated by a float valve, is in poor condition, and should be replaced. The cost of replacement of the sump pump is estimated at $2000. There are no flooding or landslide dangers.

(f) Landscaping and enclosures.

There are various planters in place on the north side of the building adjacent to the sidewalk that are maintained by the building owners. The retaining walls for the planters are mortared stone and are in good condition.

The planters have among other plants English ivy that has climbed up on the front (north) building façade, adding to the charm of the appearance of the building. Ivy, however, because of the root suckers that enable it to climb, can cause long-term damage to brick and mortar.

Four trees are located in the tree pits on the city owned sidewalk. These trees, while usually planted by the City, are typically maintained by the adjacent property owner. As such, permission from the city is required to prune such trees, and a city authorized pruner do the work.

(g) Building size.

The building is approximately 120 feet tall not including the roof structures. There are no crawl spaces. There is no sub cellar. The building has a cellar below the basement, with part of the cellar being at a lower grade that the majority of the cellar.

The building consists of a cellar, basement, 10 stories and a penthouse

Equipment rooms are located in the cellar and include the oil tank room, boiler room, employee room, laundry, electrical meter room and compactor room. Other equipment rooms are located on the roof and include elevator machinery room, fan room, and telecommunications closet.

The building parapets are approximately 42" above the roof.

(h) Structural system.

(1) Exterior:

The exterior walls are of brick and cinder block construction. The facades have brick parapets and pre-cast copingstones. Steel railings with metal panels are used at the terraces to augment the parapet wall height where it is below the level required by code in order to provide the building with the required railing height. Some of the railings at the penthouse are aluminum, and there is a horizontal concrete band above the basement at the first floor level. The exterior metalwork is in fair conditions with no apparent defects.

There is no metalwork in basement and roof.

The building is of steel frame construction encased with concrete and is a multiple dwelling of Class I fireproof construction. Local Law 11 applies to this building - see report attached.

It does not appear that the building is insulated.

The windows are a mixture of replacement aluminum frames and sashes and original steel framed casement windows. Many of the windows have air conditioning units installed in them.

The steel framed windows should be periodically closely examined to determine if the exterior glazing putty is intact; if not the panes should be re-glazed and after a suitable time the glazing putty painted. The aluminum units appear to be in fair condition, and the exterior brick joint caulk should be examined and repaired on an as needed basis whenever work is performed on the exterior of the building. The windows do not appear to leak; only the steel sash windows require regular maintenance and lack weather stripping as they predate that technology.

The sills are flat stone sills with no drip edge.

Some of the lintels on the north façade exhibit rust and de-lamination. Most notable was northeast corner window in 11D, as well as a large window in 11E facing east. There are lintels at the 14th floor west side setback that appear deflecting and delaminating, and one window on the south side of the building that is delaminating.

The windows as noted should be more closely investigated to determine the state of the de-lamination. At a worst-case scenario these lintels will have to be replaced. At a minimum, all of the lintels should be scraped and painted; when the rigging is in place to do this work, all of the lintels can be inspected and further work be performed on a case by case basis. This work is currently scheduled to be performed in the spring of 2006. The work specified for the lintels is to scrape and paint the lintels. The lintels are to be examined and replaced as needed on an individual basis. When a lintel is replaced waterproof membrane and new brick will be installed as part of the work.

Lot line windows are present on the east and west facades. Should the adjacent properties be re-developed it is possible that these windows might be sealed. The existing lot line windows do not, however, contribute to the legally required light and air for the apartments with lot line windows and if sealed have no impact on legally required light and air.

The exterior brickwork is in reasonable fair condition given the age of the building. There is however some areas that exhibit signs of brick distress and cracking; the most notable is the north east corner of the building. This type of crack typically occurs when water penetrates a corner and the freeze thaw cycle causes expansion in the brick, exerting pressure on adjacent brick greater than the brick can accommodate. This work is currently scheduled to be performed in the spring of 2006. The work specified involves the removal of the cracked masonry and replacement of masonry with units that are similar to the existing brick. When the brick is removed the back up material and structural steel exposed will be examined and repairs made on as needed basis. New expansion joints will be incorporated into the work.

The perimeter foundation of the building is poured concrete, with interior walls of concrete block in the cellar. There do not appear to be any issues regarding leaks, cracks or settlement in the cellar walls, floor or ceiling.

The building is not a landmark building nor is it in a landmark district.

(2) Parapets and copings

The facades have brick parapets and pre-cast copingstones. Steel and glass railings are used at terraces to augment the parapet wall

The parapets on the north side of the building exhibit some indication of mortar washout and efflorescence; there is a step crack at the eastern end of the building which, combined with the vertical crack at the northeastern corner of the building indicate that the brickwork in this area has moved and may continue to do so. The crack mentioned has been pointed closed at some previous time. The eastern parapet at the 10th floor is pushing off of the building at the lintel line, as is the western parapet on the 10th floor.

At the southwest corner of the building is a step crack and shifted brick, indicative of the parapet wall moving.

The parapet wall on the south 11th floor terrace exhibits step cracks at the east and west ends, and the wall is deteriorated.

The south parapet wall at the 14th floor exhibits some vertical cracking that has cracked through the pointing work that has been done in the past. The cracks appear to be related to lintel conditions given their locations. One crack is located in the center of the building between two windows.

Some parapets at the penthouse were replaced as part of the renovation of that unit

The parapet copings have had tar installed over the joints that has cracked open from age.

The parapet on the 11th floor south terrace should be replaced as part of the work when this terrace is replaced to stop the leak into the adjacent apartment.

Building management may consider pointing the parapets as a way of extending the useful life of the parapets; though cutting and pointing should be done on both the interior and exterior of the wall if this course of action is taken. Otherwise, schedule the replacement of the parapet walls on the east and west sides of the buildings because the walls are pushing off of the structure they are built on top of. When these parapets are replaced the replacement areas should include the north and south returns to the building walls. When the east parapet is replaced remedial work on the cracked northeast corner should be performed. The south parapet on the 14th floor should be monitored on a regular basis to determine how active the cracks are. The tar on the coping joints should be removed and the coping joints caulked over.

Parapet walls on the top of the building indicate mortar wash out. Unless these walls are scheduled for replacement these areas should be cut and pointed.

The work to correct the above noted conditions scheduled to be performed in the spring OF 2006. The work specified is to cut and point areas of brickwork as noted above; other areas of parapet walls are scheduled to be replaced including returns. In the areas of replacement the work will include new brickwork, waterproof membranes and through wall flashings. Existing copings shall be reused. Expansion joints will be incorporated into the work as required.

(3) Chimney and caps.

The building has one brick chimney containing one clay-lined flue for the boiler and a flue that has been converted into the compactor shaft. The flue runs up the interior of the building. The boiler flue is currently cleaned once every 2 years; there are no reported or apparent problems with the chimney. There are no fireplaces for tenant use.

(4) Balconies and terraces.

The existing terraces are quarry tile over a setting bed, with brick parapet walls. There is a known leak from the south terrace at the 11th floor into the adjacent apartment; it appears that the door flashing has been compromised and that the terrace lacks sufficient slope. Replacing the terrace and or flashing should remedy this condition. This work is currently scheduled to be performed in the spring of 2006. The work specified will remove the existing quarry tile and setting bed. After examination of the underlying concrete slab, a new roofing base sheet will be installed. Tapered insulation may be installed if required for proper positive drainage. The finish roof system will be another base sheet and a cap sheet, with pre-cast concrete pavers set on pedestals for the walking surface. Part of the work will involve the replacement of defective flashings and door pans.

Steel and glass railings are used at the north and south terraces to augment the parapet walls. All copings are pre-cast stone and are in fair condition.

The doors to the balconies are either steel and glass original to the building or aluminum and glass replacements. The doors are in fair condition; refer to comments made regarding the upkeep of the steel windows. The doors should be treated in a similar fashion.

The work to correct the leak from the south terrace to be performed and completed in the spring of 2006. The work to correct the leak is part of the terrace replacement.

(5) Exterior entrances.

The lobby doors are frameless glass, with metal sill and head plates on pivot hinges, equipped with a lock controlled by the doorman. There is no vestibule.

The main entry is located on the north façade at the basement level, four risers below the sidewalk. This entry area is paved with red granite tiles over a concrete slab. The tiles are in good condition, and the metal railings conform to the code applicable when the building was constructed. The entry does not comply with ADA requirements. The pre-existing, non complying condition is grandfathered under New York City Building Code, and therefore meets code. The entryway is in good condition.

Entrances to the doctor's offices and the gated service entry are two risers below the sidewalk. These areas do not comply with ADA requirements. The entryways to the offices are in fair condition with no known defects.

The mailroom, located off of the lobby, contains the buildings metal mailboxes and a drop box for outgoing mail. The mailboxes are in fair condition.

The entry is illuminated by lights in the exterior canopy and by interior lobby lights, as well as two exterior fixtures located adjacent to the entry doors. The lighting is in fair condition.

(6) Service entrances.

The service entry is located at the east end of the building and is secured with an iron gate at the street. The gate is equipped with a panic bar for egress and a slide bolt that is locked at night. The service entry is at the top of a flight of stairs that descends to the cellar level, and the passageway leads to the rear yard, which is up another flight of stairs. The door to the rear yard is only operable from the passageway, as this passageway does not serve as a required means of egress from the building. A door off of this passageway also connects to the cellar. A portion of the passageway that leads to the rear yard is used for storing the compacted trash, with egress to the rear yard maintained. The passageway is kept neat and clean.

The service entry is 2 risers down from the sidewalk. This type of entry does not comply with current ADA standards, and the stairs to the cellar preclude this from being an accessible path.

(7) Roof and roof structures.

The main roof appears to be a built up roof membrane with gravel ballast, over tapered insulation. Some areas of the roof are covered with concrete pavers placed on the membrane to act as roof ballast. The growths of weeds in the joints between the pavers indicate that soil is being trapped in this location. The roof pavers should be removed and the roof cleaned, with the pavers re installed on pedestals to allow for free drainage and to provide the required ballast for the roof. Other portions of the roof are covered

with gravel ballast. The age of the roof is unknown, and there are no leaks. It is recommended that the building plan for a roof replacement project within the next 10 years. There are no apparent changes on the main roof.

An area of the Penthouse terrace has been enclosed with an aluminum window /wall system with a rolled asphalt roof membrane. This are appears to be in fair condition.

(8) Yard and courts.

The rear yard of the building is subdivided into separate yards that are used by the adjacent units. Those individual units maintain the yards. Various landscape elements have been installed – and are maintained – by those tenants. The yards are either flagstone or poured concrete and have been separated with wood fences. The yards are in different states of repair depending on how the tenant maintains them. The overall condition of the rear yard is fair.

(9) Interior Stairs

Two interior concrete stairs are provided within painted masonry-enclosed stair towers. Both stairs go to the roof; one stair exits at the lobby level; the other goes to the cellar. The stairs have metal railings. The interior stair towers are well maintained.

(10) Interior doors and frames

Unit entrance doors are 1½ hr rated fireproof, self-closing doors. Corridor doors and frames, stair hall doors and frames, roof and basement doors and frames are all metal.

Apartment interior unit doors are metal frames with metal doors in plaster walls. Some of the interior apartment doors have been changed to wood on a case-by-case basis.

(11) Elevators

The building is equipped with two elevators. The original Otis elevators have been rebuilt, and are now Republic 2000-pound capacity elevators. The cars are controlled w/ push buttons in the cabs with the control units located in the machine room. The west elevator serves all of the floors in the building. The east elevator does not serve the cellar. Both elevators are gearless with sliding doors. The elevator machinery room is located one floor above the roof.

Motors are Westinghouse DC M5310 units, 230 volt, 60 amp 15 hp, rated at 750 to 850 rpm, original to the building.

Both motors have AC converters, one is original to the building and the other was replaced as part of the elevator update project that was done by Republic.

The elevator cabs are by Republic, and are finished with carpet floors over the original vinyl tile, and metal over wood or Formica over wood paneling walls. The ceilings are metal panel, equipped with recessed light fixtures and one larger ceiling mounted fixture in the middle of the cab. The cabs are equipped with an alarm button and emergency stop button. The cabs are in serviceable condition with no apparent defects. The electromechanical controllers are well maintained and in serviceable condition; a maintenance agreement with Nouveau Elevators has the elevators inspected on a monthly basis, with a proactive approach to service. The present two elevators at this time have an estimated service life of 15 to 20 years at which time each unit should be upgraded by modernizing the equipment.

(i) Auxiliary facilities:

(1) Laundry rooms. Describe

The tenant laundry is located in the cellar, and contains one slop sink. There are 4 coin operated Maytag Commercial Neptune washing machines, and 4 coin operated Maytag Commercial Neptune dryers. The dryers are electric ventless units. The fresh air for this room is taken from a duct that connects to a small areaway located in the rear yard. The room is clean and well maintained, with painted masonry walls, painted concrete floors and ceiling.

(2) Refuse Disposal.

The trash compactor, located in a room adjacent to the electrical meter room, is utilizing the old incinerator flue as the compactor shaft. The shaft has been equipped with hopper doors on each floor, located behind a steel fire door on each floor hallway. The compactor was installed in 1983, model 25K-10T, and is maintained by IDC Systems. As reported by the building superintendent the compactor has been recently overhauled, and is in good condition, requiring little maintenance. The machine was installed over a concrete slab, which for sanitary reasons the building superintendent is currently replacing and tiling for ease of cleaning in the future.

Trash is temporarily stored on the building property in the passageway to the rear yard. The passageway is kept clean and neat, and egress to the rear yard is maintained at all times. The compacted trash is picked up curbside by the city as scheduled.

(j) Plumbing and drainage.

Water is supplied by the city mains and is metered to the building in the cellar. The distribution system is threaded brass pipe w/ bronze valves of various sizes. Water is pumped to the 7500-gallon wooden roof tank located above the elevator machine room. The roof tank does not leak and appears to be in good condition. The tank enclosure bulkhead is made of brick walls and pre-cast concrete coping stones, open to the sky. The floor is covered with roofing membrane and has one 4" roof drain. The steel tank dunnage is well painted and in good condition. The tank itself is covered with a wooden roof and tarpaper and is in good condition, with no leaks. The supply lines for the tank

and domestic water are insulated. A vertical gooseneck ladder accesses the tank. The filler pumps are located in the boiler room, and are Westinghouse 2hp 3 phase 60hz, original to the building; while old, they are still serviceable. There is a high/low water alarm for the tank located in the boiler room. The alarm was last inspected on 5/5/04.

Water is gravity fed to the domestic water supply. The drainage, waste and vent lines are cast iron and are connected to the city system. It is a combined sewer storm system; the roof drains are clear and the roof slope sufficient for drainage. There are no leaks, nor are leaks frequently reported. The overall condition of the plumbing system is reasonable give the age of the system.

The compactor flue has a wet system of sprinkler heads, which draw off of the domestic water system. The sprinkler pipes are black iron and are in good condition. The sprinkler shut off valve is located in the cellar near the compacter room and is in good condition. The Sprinkler System is galvanized pipe. A Siamese connection is located outside of the building and connects to the fire hoses located in the stair towers. The hoses are of recent vintage and are replaced by the building owners when the fire department makes inspections and requests hose replacement.

The domestic brass water distribution system is in good condition, as is the cast iron domestic drainage, vent and waste piping. The DWV system is a combination of hubbed and newer no hub fitting pipe; the newer pipe is typically used during renovations. Both the supply and drainage systems have no active leaks, nor are leaks frequent.

(k) Heating.

The building is equipped with two boilers; 450 square feet of heating surface each; maximum water pressure 15 lb for steam, 30 lb for water. The boilers are used on alternate weeks in the summer, and they are alternated every few days in the heating season. The buildings hot water is generated from hot water coils inside the boilers. Coastal Combustion last inspected the boilers on 5/5/04.

The boilers are Rockmills model MP90 manufactured in 1983, MEA #98-71-E. The boilers output 3.8 million BTU each.

Both boilers have Whirlpool IronMan Model C240-SMF, burners, rated at 208v, 3 phase 60 Hz and can be used for both natural gas and #2 oil. One burner is equipped with a Marathon electrical motor, 2 hp, 3 phase 60 HZ, and the other burner with a GE 2 hp, 3 phase 60 Hz motor. Each boiler is equipped with AO Smith Corp 115/230v, 2-1/2 hp, Model # UAC48J2N131C2C pumps.

The boilers are controlled with a Honeywell BC 7000 burner control system, and an automatic heating control system by Heat Timer Corporation.

The boilers are currently cleaned twice a year and are in good condition, as are the burners. There are no known defects, and the equipment is in compliance of all permits

and certificates. With good maintenance the equipment should have a life cycle of 30 to 40 years from time of installation. There is no reason that the equipment should not operate adequately for another 10 years.

The heating system is a two-pipe steam system, feeding steel convectors that are mounted flush with the interior wall surfaces

The boilers are fired with #2 fuel oil. The fuel supply for the boilers is held in a 7500 gallon steel oil tank located in the tank room in the cellar. The tank was last cleaned when the boilers were converted to #2 oil. Oil is pumped to the burners with Marathon 7-1/2 hp, 3 phase, 60hz pumps at 50psi.

(l) Gas Supply.

The building has two Schulmberger gas meters, dated 7/99 located in the gas meter room, which are connected to the black iron distribution system for the tenants cooking ranges. The gas distribution system is piped with threaded black iron pipe concealed in the walls. The visible portions of the gas system are in good condition. The gas is paid for by the building owners, as there are no individual meters for the apartments. The system is in good condition.

(m) Ventilation.

While most of the apartment's kitchens and bathrooms have windows to provide the legally required ventilation, there are some kitchens that are provided with mechanical ventilation as is required by city code. It was not possible on the date of the inspection to determine if this ventilation system was working, as the units were not accessible

Some of the bathrooms have mechanical ventilation as is required by city code. It was not possible on the date of the inspection to determine if these ventilation systems were working; the end unit bathroom vents terminate on the 11th floor terraces, which were inaccessible.

The public halls on each floor are supplied with fresh air via ductwork with the fans located in the fan room in the rooftop bulkhead. On the date of inspection these fans were operational. While they appear to be original to the building, the fans are well maintained and in serviceable condition.

(n) Electrical system.

The main entrance into the building is located in the electrical meter room. The building is supplied with two 600 amp three phase 240 volt disconnect switches, one switch is for the apartments and one for the house (general building). There are separate meters for the house, each doctor's office and for each apartment, as well as one for the Nextel communications room on the roof. The apartments are supplied with 60 amps/120 v each, and the doctor's offices with 100 amps each. The original fuse boxes are either four or six circuit. Some apartments have had the fuse box upgraded to circuit breakers. Power in the apartments is sufficient to operate typical household appliances,

such as a refrigerator, window airconditioning unit, computer, lighting, and a hairdryer, simultaneously. The only new equipment in the electrical service room is the Nextel meter; all other is original to the building and is in serviceable condition. One panel door in the electrical meter room needs to be reinstalled. The system is in fair condition given its age.

The 60 Amp/ 120 v service to each apartment is sufficient for the electrical loads drawn by the apartments as constructed. Should apartments be renovated and additional circuitry or loads be specified, such as large air conditioning units, the service to that apartment and the service panel in the apartment should be upgraded to accommodate the loading.

(o) Intercommunication and/or door signal systems, security close circuit TV.

The building currently has a house telephone system, with a switchboard located in the lobby adjacent to the front desk. Although this system is antiquated, it serves its intended purpose adequately. Cable television is currently wired through the building hallways with service by Manhattan Cable.

(p) Public area lighting.

The public area lighting is sufficient and well maintained.

(q) Permits and certificates.

At the present time, alteration work on the building has been applied for and approved by the Department of Buildings. Work permits will be required, as will electrical and plumbing permits. At the close of the work, all work will be signed off with all required

inspections and a revised Certificate of Occupancy will be issued. In order to obtain a revised C of O, all outstanding violations on the building will be cleared.

The inspection certificates and permits will be current before closing. The building must maintain all existing operation permits for the building equipment, including the boilers, compactor, oil tank and elevators, and renew it on a timely basis. The standpipe system and hoses are inspected annually by the Fire Department.

(r) Violations.

At the present time, the building has three outstanding Elevator violations, copies enclosed as available on the Department Of Buildings Website. The oldest violations are both dated 3/11/04, violations #9013/169865 and #9013/169866. A third violation dated 1/12/04 is #9013/188571. At this time clearing the violations is a clerical matter, as Inspector Jeffrey Pahulik inspected on 12/15/04 inspected for violation re-inspection and found no violations.

These violations will be cured in order that the revised Certificate of Occupancy can be issued once the approved work is permitted and completed.

(s) Unit information.

Four units were inspected. The units in the building are finished with wood floors in the main areas of the apartments, with ceramic tile in the bathrooms, and either ceramic or what appears to be vinyl composition tile in the kitchens. The walls are plaster, with tile in the bathrooms. Interior doors are either metal or wood in metal frames, and the apartment entry doors are metal self-closing type with metal frames. The finishes in the apartments are in fair condition.

The original metal kitchen cabinets have been removed and replaced with newer white thermafoil cabinets in most apartments. Kitchen appliances are typically General Electric, of differing vintages depending on when they have been replaced. The kitchens are equipped with a gas range, refrigerator and sink. The condition of the appliances are fair; it was noted that the appliances are not identical from unit to unit, as appliances have been either replaced or repaired on an as needed basis.

The original bathroom tile was tile wainscoting with higher tile in the bathtub area. Some bathrooms have been upgraded with newer fixtures and full height tile on the walls. The building toilets are of the flush meter type; there are tank type toilets in two of the three penthouse apartments. Cast iron piping is used for waste and vent lines and brass piping is used for hot and cold water lines. The bathrooms are equipped with ceramic finished cast iron tub/shower combinations, porcelain toilets, and lavatories. The fixtures are in fair condition; it was noted that the fixtures themselves were not identical from unit to unit, as fixtures have been replaced on as needed basis.

(t) Finish schedule of spaces other than units.

(1) Lobby

Floors are granite tiles, red with granite base. Walls are paneled with wood gain plastic laminate and wallpaper. Ceiling is covered with gypsum board and has recessed lighting fixtures. The lobby is in good condition.

(2) Public halls and stairways

Floors are covered w/ceramic tile. Walls are plaster, with some wallpaper. Ceilings have been dropped and are gypsum wallboard. Lighting consists of high hats installed in the dropped ceiling. Ventilation provided by 2 fans on the roof. The public stairways are painted concrete floors, painted cinderblock walls, and the ceilings are painted concrete. Interior doors and doorframes are painted metal and in good condition. These Portions of the building are clean and well kept in good condition.

(3) Cellar and boiler room

Floors are painted concrete on grade. Boiler room floor is 13' below cellar. The boiler room has a steel ladder to metal egress door at north wall as required by code for second means of egress. Interior walls are cinder block. Exterior walls are poured

concrete. Ventilation is provided by fan from gas meter room; ducted through to a small areaway in the north side of the building. Doors and doorframes are painted metal. The boiler room is relatively clean and in serviceable condition.

(4) Gas meter room

The gas meter room is poured concrete floor on grade, with painted cinderblock walls and concrete ceiling. Fresh air intake is provided via duct that ends in a small areaway located in the front yard at the north side of the building. The meter room is well kept and in serviceable condition.

(5) Laundry room

The laundry room is poured concrete floor finished with white 12x12 vct tile, with painted cinderblock walls and concrete ceiling. The room is well kept and in good condition.

(6) Mail room

The mailroom floor is granite tile with a granite tile base, and the walls are wallpapered. The ceiling is gypsum board with recessed light fixtures. The room is well kept and in good condition.

(7) Roof bulkhead – fan room, elevator room, etc.

The rooms in the roof bulkhead are all of similar finishes- the floors are painted poured concrete, the exterior walls are cinderblock, and the ceilings are the unfinished side of the concrete slab above. The rooms are clean and neatly kept.

(8) Telecommunications room

The telecommunications room located in the roof bulkhead was not accessible for inspection; this room is rented by a cable telephone provider and is not accessible to the building.

(9) Oil Tank Room

The oil tank room located at northwest end of building in the cellar. The floor is concrete, unfinished, as is the ceiling. The South and East walls are brick and exterior walls are concrete.

(u) Safety and warning devices.

Each unit is currently equipped with smoke detectors; Local Law #07/2004 now requires the installation of CO2 detectors.

There currently is no low water alarm for the two boilers however there is a low water cut off switch, and the level of the boilers are manually checked daily.

The domestic water tank is equipped with a low/high water alarm, which is original equipment to the building, located in the boiler room in the cellar.

(v) Additional information required.

See attached floor plans for unit size and type, as well as areas of units and common spaces. Floor to ceiling heights are noted on plans.

(w) Local Law 10 Report

Local Law 10 Report is not due until 2007. The building must have report for that date.

(x) Reserve Fund

The reserve fund will be sufficient to pay for the major capital improvements and replacements that are reasonably foreseeable within three years from the date of this deficiency notice.

CITY OF NEW YORK
DEPARTMENT OF BUILDINGS

Technical Report: Periodic Inspection of Exterior Walls and Appurtenances

February 21, 1999 — February 21, 2002
Please File 3 Copies
This Form Must Be Typewritten and Microfilmed with the Report

Control # for location
From DOB LL 11/98 Master printout
NOV 12 1999
Cycle Number:

1 Filing Status

X Initial Filing | Amended Filing Indicate initial filing date: / /

Was filing made for any previous cycles (yes/no)? X If yes, indicate last filing date: 6/7/95

Supplemental Cycle 4 Local Law 11/98 Filing
Indicate initial filing date: / /

2 Location

Borough Manhattan | Block 866 | Lot(s) 48 | BIN

House No(s) 30 | Street Name East 37th Street

A.K.A. address(es)

3 Applicant

Last Name Messer | First Name I. Leonard | M.I.

Business Name Messer Consultants | Business Phone (718) 591-3113

Address P.O. Box 030500 | City Elmont | State NY | ZIP 11003-0500

X P.E. | R.A. | Lic. No. 38540

4 Owner

Last Name Kearney | First Name Joseph | M.I. | Title Agent

Business Name Field Associates | Business Phone 212-599-3141

Address 60 East 42nd Street | City New York | State NY | ZIP 10165

5 Building Characteristics

Number of Stories 12 + PH | Exterior Wall Type Brick

6 Prior Status - Last Cycle Local Law 10/80

Ongoing Maintenance Program | X Precautionary Conditions | Unsafe Conditions

Conformed with Code Requirements | Current Completion of Work Estimated to be 100 % | Current Completion of Work Estimated to be %

7 Current Field Report - Critical Examination

X SAFE: All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives

SAFE WITH A REPAIR AND MAINTENANCE PROGRAM: All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives except for the recommended Repair and Maintenance work described in the report and below

UNSAFE: All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives except for the unsafe conditions described in the report and below

8 Statements and Signatures

Falsification of any statement is a misdemeanor under section 28-124 of the Administrative Code and is punishable by a fine or imprisonment, or both. It is unlawful to give to a city employee, or for a city employee to accept any benefit, regarding or affecting the performance of his or her official duties. Special conditions for violation is punishable by imprisonment of five or both.

PE Applicant's name (print): I. Leonard Messer, P.E.

I hereby state that the owner has authorized me to make this application. Furthermore, I hereby state that all statements in this report are true and complete to the best of my knowledge. A copy of this report has been provided to the owner.

Applicant Name: I. Leonard Messer P.E.

Date: 10/4/99

Owner's name (print): Joseph T. Goldfein

I hereby state that I am the owner of the premises referenced in the attached report. Furthermore, I hereby state that I have reviewed this report and that I understand the contents thereof, including the recommendations therein.

Owner's signature

Date: 10-11-99

SEE INSTRUCTIONS ON REVERSE SIDE

Revised 09-98 TR-6

I. LEONARD MESSER, P.E.

CONSULTING ENGINEER

P.O. Box 030500, ELMONT, NY 11003-0500

TEL: (718) 591-3113

FAX: (718) 591-4546

CRITICAL EXAMINATION OF EXTERIOR WALLS AND EXTERIOR APPURTENANCES PURSUANT TO LOCAL LAW #10 OF 1980 AS AMENDED BY LOCAL LAW #11 OF 1998 & SECTION C26-105.3(A) OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK

1. *Address of Critical Examination:* 30 East 37th Street, Manhattan
2. *Location:* 250' west of Madison Avenue
3. *Block Number:* 866
4. *Lot Number:* 48
5. *Name of Owner:* Field Associates
6. *Address of Owner:* 60 East 42nd Street, Suite 2015, New York, NY 10165
7. *Agent or person in charge:* Mr. Joseph Kearney
8. *Number of Stories:* 12 + penthouse
9. *Height of Building:* 140'±
10. *Plan Dimensions:* 80' x 60'
11. *Certificate of Occupancy No.:* 38364
12. *Usage:* Residential
13. *Age:* built about 1951
14. *Exterior Wall Construction:* brick
15. *Exterior Appurtenances:*
    Windows: metal
    Sills: stone
    Air conditioners: attached to window frames
    Watertable: 2nd floor
    Balconies: at 11th floor
    Railing: at 11th floor and penthouse; aluminum coping mounted rails with mesh inserts or steel with wire glass inserts.
16. *History of exterior revisions and repairs:* Previous work has consisted of pointing work at various locations.

17. *Description of procedures used in making the "critical examination":*

    a) **Visual:** The primary means of examination involved first-hand close visual observation of the exterior building appurtenances. This was accomplished by sighting from the street, the roof and the windows located throughout the building at strategic locations. The latter was especially beneficial since observations from the windows provided a view where the walls can be readily and closely observed at all locations. One scaffold inspection was performed at the street facade.

    b) **Telescopic:** High magnification binoculars were used at all sighting locations.

    c) **Photographic:** Photographs were taken at various locations using a camera equipped with a high resolution telephoto lens. These photographs were later examined under magnification.

18. *Report of observed unsafe conditions, such as significant deteriorations, movements, etc.:*

    None.

19. *The following items were noted as requiring preventative maintenance and are referenced on the attached sketch. They are conditions which should be corrected in order to prevent the formation of unsafe conditions:*

    None.

20. *Status of exterior maintenance:* Building exterior has been properly maintained except as noted in Item 19.

21. *Comparison with previous examination:* The fourth cycle critical examination report by I. Leonard Messer, PE, filed June 7, 1995, reported precautionary conditions.

22. *Recommendations for repairs and maintenance:* Specific recommendations were noted in Item #19.

    Additionally, items such as window glass, window guards, guard rails, awnings and store signs should be monitored by building personnel, window washers and maintenance people.

23. *Date of start and completion of the critical examination:*

    Start: March 24, 1999

    Completion: August 29, 1999

The sole purpose of this report is to provide a critical examination of the building exterior as defined by Local Law #10, section C26-105.3(A) of the Administrative Code of the City of New York. This report renders an opinion as to the condition of the exterior walls only as of the dates on which the examination was conducted. This report has been prepared for no other purposes.

The Engineer assumes no responsibility for the adequacy of design or construction of the original building, nor for the adequacy of alterations, maintenance or repair work either performed in the past, present or future by contractors or maintenance personnel.

All dimensions of building height, location and size are approximate within the accuracy requirements of this report and are not to be used for other purposes.

A copy of this report is to be submitted to the owner prior to filing with the Department of Buildings.

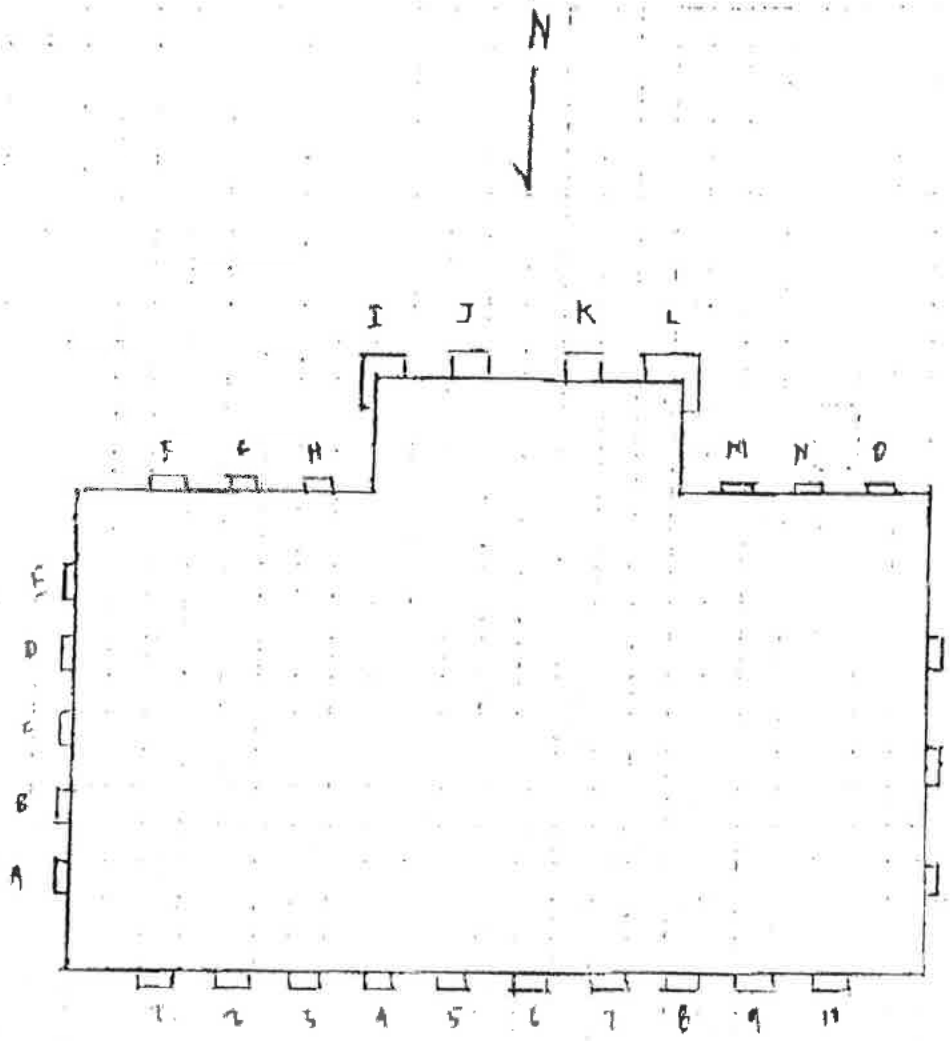
I. LEONARD MESSER, PE
N.Y.P.E. LICENSE #38540



Schedule of Photographs

1. General view.
2. Location of shifted brick at location F.
3. Vertical crack at parapet between location H & I.
4. Open cross-sill joint-typical.

Received: 4/ 7/04 9:39AM; 2125993339 -> Howard B. Spivak Architects; Page 7
04/07/2004 09:42 2125993339 GOLDFEIN PAGE 07



30 EAST 37TH STREET

SUPERIOR DATA SERVICES, INC.

44 Court Street Suite 300
Brooklyn, NY 11201
718-625-9949 Fax: 718-625-9609

3 West Main Street Suite 202
Elmsford, NY 10523
914-347-1636 Fax: 914-347-3163

950 New Louden Road Suite 250
Latham, NY 12110
518-785-4892 Fax: 518-785-5086

FIRE DEPARTMENT CITY OF NEW YORK
BUREAU OF REVENUE MANAGEMENT
9 METROTECH EAST
BROOKLYN, NY 11201-3857

RECORD SEARCH REQUEST

Mail To: Superior Data Services
44 Court Street Suite 900
Brooklyn, NY 11201

Title: CTIM-CC 310420000,A2

The undersigned requests the following information re: Premises

Address: 26/32 EAST 37 STREET

Borough: MANHATTAN

- [x] Record of existing FIRE DEPARTMENT VIOLATIONS
- [ ] Record of Permit for FUEL OIL
- [ ] Record of UNDERGROUND STORAGE TANKS

Signed: Superior Data Services
Date: 02/10/2006

(THE CITY OF NEW YORK IS NOT SUED, NOR IS THERE ANY INTENTION TO SUE THE CITY OF NEW YORK)

DO NOT WRITE BELOW THIS LINE

Gentleman:

In reply to your request concerning the premises mentioned above, please be advised that as of 9 A.M., our records show the following: JAN 1 7 2006

NO VIOLATION(S)

VIOLATIONS RECORDED ABOVE ARE ONLY THOSE WHICH ARE A MATTER OF RECORD IN HEADQUARTERS OF THE BUREAU OF FIRE PREVENTION AND MAY NOT INCLUDE VIOLATIONS ISSUED BY LOCAL UNITS. THIS REPORT IS SUBMITTED FOR INFORMATION PURPOSES ONLY AND FOR THE EXCLUSIVE USE BY CHICAGO TITLE INS - CEE CEE. NO LIABILITY IS ASSUMED.

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518-785-4892 Fax: 518-785-5086

Title: CTIM-CC 310420000,A2 **Date:** 2/13/2006
Premises: 26/32 EAST 37 STREET
County: MANHATTAN
Town/City: **Village:**
District: **Section:** **Block:** 866 **Lot(s):** 48

CERTIFICATE OF OCCUPANCY SEARCH

Attached find a copy of Certificate of Occupancy # 38364 issued on 4/9/1951 FOR A BASEMENT, PENTHOUSE AND ELEVEN STORY FIREPROOF BUILDING; TWO DOCTOR'S OFFICES AND CLASS "A" MULTIPLE DWELLING.

ALT#103951387/2004 APPROVED 11/17/2005
TO COMBINE APARTMENTS ON SECOND AND THIRD FLOORS. A NEW CERTIFICATE OF OCCUPANCY WILL BE REQUIRED. NOT SIGNED OFF.
The above information was abstracted from computer records.

SUPERIOR DATA SERVICES DOES HEREBY CERTIFY THAT THE RECORDS OF THE ABOVE GOVERNMENTAL AGENCY WERE EXAMINED FOR CHICAGO TITLE INS - CEE CEE. THE INFORMATION REPORTED ABOVE IS A TRUE AND ACCURATE ABSTRACT OF THE INFORMATION REPORTED THEREIN AND NO LIABILITY IS ASSUMED. THIS REPORT IS SUBMITTED FOR INFORMATION PURPOSES ONLY.

DEPARTMENT OF HOUSING AND BUILDINGS

BOROUGH OF MANHATTAN, CITY OF NEW YORK

No. [illegible]

Date April 9, 1951

CERTIFICATE OF OCCUPANCY

(Standard form adopted by the Board of Standards and Appeals and issued pursuant to Section 646 of the New York Charter, and Sections C26-1810 to C26-1870 inclusive Administrative Code 2131 to 2137 Building Code.)

This certificate supersedes C. O. No. 38150

To the owner or owners of the building or premises:

THIS CERTIFIES that the new ~~structure existing~~ building premises located at

75-32 East 37th Street Block 866 Lot 48, 50 & 51

, conforms substantially to the approved plans and specifications, and to the requirements of the building code and all other laws and ordinances, and of the rules and regulations of the Board of Standards and Appeals, applicable to a building of its class and kind at the time the permit was issued; and

CERTIFIES FURTHER that, any provisions of Section 646 of the New York Charter have been complied with as certified by a report of the Fire Commissioner to the Borough Superintendent.

N.B. ~~CONCRETE~~ 190-1949 Construction classification— Class 1 fireproof

Occupancy classification— Hereafter Erected Class A Mult.Dwell. Height B., P.L.&ll stories, 108 feet.

Date of completion— March 9, 1951 . Located in Residence Use District.

B Area 1½ . Height Zone at time of issuance of permit 254-1950

This certificate is issued subject to the limitations hereinafter specified and to the following resolutions of the Board of Standards and Appeals: (Calendar numbers to be inserted later)

PERMISSIBLE USE AND OCCUPANCY

STORY	LIVE LOADS Lbs. per Sq. Ft.	PERSONS ACCOMMODATED MALE	FEMALE	TOTAL	USE
Cellar	on ground			5	Boiler room, tenants' laundry, elevator boys' room, locker room and storage.
Basement	50	8		16	Six half (6/2) apartments and two (2) doctors' offices.
1st story	40				Six apartments and six half (6/2) apartments.
2nd to 9th story, incl.	40 each				Ten (10) apartments on each story.
10th & 11th stories	40 each				Five (5) apartments on each story.
Pent House	40				Four (4) apartments.
Tower					Elevator machine room and tank room.
					Fuel Oil system approved by Fire Department January 30, 1951. Standpipe system approved by Fire Department January 31, 1951.

[illegible] C.17-3 sub-4 Building Code, C.26-2730 Admin. [illegible] the occupancy of a structure erected or altered [illegible] the authorized occupancy of each floor of said [illegible] in the certificate of occupancy shall be permanently [illegible] and maintained in the main entrance hall of [illegible]

[illegible] CERTIFICATE MAY BE CANCELLED FOR VIOLATION OF CERTIFICATE OF OCCUPANCY UNDER SECTION 101 OF THE MULTIPLE DWELLING LAW

(Page 1)

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Title: CTIM-CC 310420000,A2
Premises: 26/32 EAST 37 STREET
County: MANHATTAN

Date: 2/13/2006

Block: 866 **Lot:** 48

EMERGENCY REPAIR SEARCH

A Search Conducted in the Department of Rent and Housing Maintenance (Emergency Repair) last printed lien book reveals the following repair money due:

DATE: **11/25/2005**
AMOUNT: **0.00**

The result of the work-in progress search reveals that:

☐ There were no Emergency Repair(s) open purchase orders given out at the premises listed above subsequent to the above lien date.

☒ See attached information found for the premises listed above at HPD/Emergency Repair Division and are not posted in the last printed lien book.

☐ HPD lien records reflect property on Demolition Seal up listings.

☐ HPD records reflect property listed on Relocation of Tenant listings.

* For further details contact HPD at 110 Gold St., New York, N.Y.

THE RECORDS OF THE ABOVE GOVERNMENTAL AGENCY WERE EXAMINED AND THAT THE INFORMATION REPORTED ABOVE IS A TRUE AND ACCURATE ABSTRACT OF THE INFORMATION CONTAINED HEREIN. NO LIABILITY IS ASSUMED.
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02/14/2008 17:37 FAX 17186259630 SUPERIOR DATA 002

02/13/06
08:18

HPD Building, Registration & Violation Services — Select — Go Home

The selected address: 26 EAST 37 STREET, Manhattan 10016

HPD#		Range	Block	Lot	CD	CensusTract	Stories	A Units	B Units	Ownership	MDR#	Class
13474	Active	26-32	00866	0048	6	8200	12	101	0	PVT	123345	E

Other Units

Registration

Emerg. Repairs

Charges (PDF)

Map

Carbon Monoxide Certificate

All Open Violations

prior year Open Viol.'s

Total: 1

OMO No, Repair Type	Award Amount, Service Charge	Job General, Job Details	Status, Reason	Status dt, Issue dt, Completed	OMO Desc
E603515 OMO	11975 Y	ELEC apt	cancel Refused Access	2005/09/19 2005/07/29 2005/09/19	apt.#12d: vendor must supply and install 6-3 bx riser and a circuit breaker panel (a-16 ckt) to supply proper power and distribution throughout apart

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02/13/06
0818

HPD Building, Registration & Violation Services [— Select —] Home

The selected address: **26 EAST 37 STREET, Manhattan 10016**

HPD#		Range	Block	Lot	CD	CensusTract	Stories	A Units	B Units	Ownership	MDR#	Class
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Charges (PDF)

Map

Carbon Monoxide Certificate

All Open Violations

prior year Open Viol.'s

The Charge Report will include information on the following buildings.

HPD Seq No	Status	House No	Street name	Life Cycle
13474	Active	26	EAST 37 STREET	BLDG

The City of New York
Department of Housing Preservation and Development
Title Company Report

Date: 2/13/2006

The award amount, and any associated increase or decrease amounts, are NOT the final amounts you will be charged. Please see Notes 4 and 5 below.

Boro: Manhattan **Block:** 00866 **Lot:** 0048

OMO Information

Invoice Information

Building No: 13474

There are 1 building charge record(s) listed below (including empty record if any).

Address: 26 EAST 37 STREET **Manhattan**

OMO No: OMO E603515

General Detail	Create Dt / Award Dt	Reason CS	Award Amount	Increase / Decreas	Invoice Dt / Pay Dt	Amount	Sales Tax	Admin Fee	Total Charge	Dt TRX to DOF
ELEC APT	07/29/05 / 08/30/05	Refused Access	11,975.00		09/26/05 / 10/24/05	70.00	6.04	15.00	91.04	11/22/05
TOTALS:						70.00	6.04	15.00	91.04	

02/14/2006 17:37 FAX 17186259630 SUPERIOR DATA 208

GRAND TOTALS:				70.00	6.04	15.00	91.04

Invoiced - not yet paid: (see notes below)	$0.00	Paid - Not Yet Transferred to DOF:	$0.00	Invoiced and Transferred:	$91.04

As a result of the crossovers between the two unique systems (HPDInfo and the HDVI Mainframe) used by HPD for the purpose of tracking billable charges and work orders, the following items should be reviewed before proceeding. Please be aware that this report does NOT include any open charges from the HDVI Mainframe. See Notes 1 and 7 specifically.

Note 1: If the invoice date is prior to July of 1999 and is listed as having not yet been paid and/or transferred to DOF you must contact the ERP Accounting Unit to verify the current status of the charge. We are working towards resolving these items in HPDInfo so that this contact may eventually be unnecessary.

Note 2: Demolition orders issued and awarded after January 1, 2000 are listed on HPD Info. A hard copy report of older demolition jobs is available at Enforcement Services on the 4th floor at 100 Gold Street. This information was also provided to the Land Title Association in electronic format for distribution to its members. The list is kept next to the computer used to check work in progress. In order to obtain a complete record of work in progress for demolition jobs prior to January 1, 2000, you must check the hard copy report, the mainframe system, and HPD Online. Please be aware that you may obtain additional information about older demolition jobs from records at the Department of Buildings or by calling the Demolition Unit at HPD. Please call 212 863-6020 and select the Work in Progress selection if you have any questions about the report

Note 3: Where OMO type is equal to AOR there are no award dates or award amounts. AOR's are for work performed by in house personnel and are therefore not awarded to an outside vendor. Standard amounts are not available from the Enforcement Unit. You should contact Enforcement Unit Work in Progress area for questions relating to this information.

Note 4: Award amounts are subject to being increased or decreased according to the specifics of a job. Where available this information is listed on the report. The Award Amount is the initial amount posted to an OMO. During the normal and usual course of business change orders that increase or decrease the amount of the initial award may be processed against that order. The Award amount, and or any amount transferred on any given invoice, may therefore not be the full amount of the job that may eventually be posted to Fair tax. Questions regarding the remaining balances should be directed to the Enforcement Unit Work in Process area. Award Amounts on the AOR Type jobs will be blank.

Note 5: The Award Amount on Fuel and Utility OMO's is always $1.00. No Increases or Decreases are posted to these orders due to the nature of the service. Invoices for these orders are listed individually.

Note 6: Court/Agency authorized amount is for the 7A Financial Assistance(7AFA) repair charges. 7AFA funds and 7AFA charges are separate from Emergency Repair program funds and charges, although both 7AFA and ERP charges become tax liens. For more information about wheather a 7AFA funded repair is currently ongoing, has been done, partial liens have been filed, or will be filed, call the 7AFA Program at (212)863-8820. The Court/Agency authorized 7AFA amount may not be the final amount you will be charged. This amount is subject to Increase/s or Decrease/s.

Note 7: You must continue to contact the ERP Accounting Unit to verify any balance that remains open on our mainframe system. These amounts are NOT listed on this report. They can be reached at 212-863-6020. Please select Option 2 to request a building balance from our mainframe system. This information will be provided in a hard copy format on Agency letterhead and will NOT appear on this report.

Note 8: This report will not show changes to individual charges as a result of protests or payments. The Department of Finances Fairtax system should be checked for the current status of any charge listed on this report once that charge has been transferred to DOF.

004

02/14/2006 17:38 FAX 17186259630 SUPERIOR DATA 005

SUPERIOR DATA SERVICES, INC.

44 Court Street Suite 300
Brooklyn, NY 11201
718-625-9949 Fax: 718-625-9609

3 West Main Street Suite 202
Elmsford, NY 10523
914-347-1636 Fax: 914-347-3163

950 New Louden Road Suite 250
Latham, NY 12110
518-785-4892 Fax: 518-785-5086

Title: CTIM-CC 310420000,A2 **Date:** 2/14/2006
Premises: 26/32 EAST 37 STREET
County: MANHATTAN
Town/City: **Village:**
District: **Section:** **Block:** 866 **Lot(s):** 48

HIGHWAY/SIDEWALK VIOLATION SEARCH

Kindly conduct a search in your department for any violations against the above premises.

A search of the records of the Department of Transportation indicates the following:

☐ NO VIOLATIONS FOUND

☒ SIDEWALK VIOLATION(S) ON FILE AS OF: 2/14/2006

10140 3/15/1977
C36942 9/11/1985

ANY RELEASE OR DISMISSAL OF VIOLATION DOES NOT ENTITLE PROPERTY OWNERS TO A CANCELLATION OF BILLS ON RECORD IN THE OFFICE OF THE CITY COLLECTOR.

Sincerely yours,

SUPERIOR DATA SERVICES

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Latham, NY 12110
518-785-4892 Fax: 518-785-5086

FIRE DEPARTMENT CITY OF NEW YORK
BUREAU OF REVENUE MANAGEMENT
9 METROTECH EAST
BROOKLYN, NY 11201-3857

RECORD SEARCH REQUEST

Mail To: Superior Data Services
44 Court Street Suite 900
Brooklyn, NY 11201

Title: CTIM-CC 310420000,A2

The undersigned requests the following information re: Premises

Address: 26/32 EAST 37 STREET

Borough: MANHATTAN

- ☐ Record of existing FIRE DEPARTMENT VIOLATIONS
- ☒ Record of Permit for FUEL OIL
- ☐ Record of UNDERGROUND STORAGE TANKS

Signed: Superior Data Services
Date: 2/13/2006

(THE CITY OF NEW YORK IS NOT SUED, NOR IS THERE ANY INTENTION TO SUE THE CITY OF NEW YORK)

DO NOT WRITE BELOW THIS LINE

Gentleman:

In reply to your request concerning the premises mentioned above, please be advised that as of 9 A.M., 01/17/2006 our records show the following:

Account:	01304112
Balance Due:	$0.00
Permit Expiration Date:	APRIL 2006
Size of Tank:	7,500 GALLONS
Dist. Off:	03
No Record Found On File:	

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Title: CTIM-CC 310420000,A2 **Date:** 2/13/2006
Premises: 26/32 EAST 37 STREET
County: MANHATTAN
Town/City: **Village:**
District: **Section:** **Block:** 866 **Lot(s):** 48

STREET REPORT

EAST 37TH STREET - MAPPED AT 60 FEET ON FINAL CITY PLAN.
TITLE TO THE FULL WIDTH. LEGALLY OPEN 12/1844

MADISON AVENUE - MAPPED AT 75 FEET ON FINAL CITY PLAN.
TITLE TO THE FULL WIDTH. LEGALLY OPEN 12/1844

PARK AVENUE - MAPPED AT 140 FEET ON FINAL CITY PLAN.
TITLE TO THE FULL WIDTH. LEGALLY OPEN 1/17/1848

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EXHIBIT E

ASBESTOS REPORT

DALTON
ENVIRONMENTAL, LTD.

P.O. Box 222
New Suffolk, NY 11956
Tel. 631 - 734 - 6450
Fax 631 - 734 - 5152

ASBESTOS REPORT

- for -

30 East 37th Street
New York, NY 10016

Prepared For

Howard B. Spivak Architect P.C.
270 Lafayette St.
New York, NY 10012

by

DALTON ENVIRONMENTAL, Ltd.

First Street P.O. Box 222
New Suffolk, NY 11956
631 - 734 - 6450
Fax 631 - 734 - 5152

Date: October 8, 2004
DEL # 40810-263-921

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ASBESTOS REPORT

30 East 37th Street
New York, NY 10016

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EXECUTIVE SUMMARY

Property Location: 30 East 37th Street, New York, NY 10016
Site Inspection Visit(s): October 6, 2004
Inspection Supervisor: **DALTON ENVIRONMENTAL Ltd.,** by D. Truglia, J.D., M.S., C.A.I.
Owner's Representatives Present: Superintendent [redacted]

Scope: This asbestos investigation was limited to compliance with the requirements of the New York State Attorney General for the disclosure of the presence of asbestos containing material under Part 23 of Title 13 NYCRR.

Inspection Opinion: No asbestos containing material (ACM) found in any apartment units accessed. Asbestos Containing Materials present in basement utility and common areas. See detailed summary of findings Section 3.0.

Exposure Risk Factor: Moderate in basement utility rooms; very low in apartment spaces; see apartment inspection notes, Section 3.2.

Recommendation: Remove and replace all severely damaged ACM pipe and duct insulation in basement utility rooms and common areas. Clean ACM residue and floor debris in oil tank vault. Caution is suggested when opening walls, utility access panels or other normally inaccessible components containing any thermal system installation; suspect materials found in those areas should be presumed asbestos and analyzed for confirmation as the situation arises.

Addendum

Lead-Based Paint Disclosure: Pursuant to various federal, state or local laws mandating the disclosure of information concerning the presence of lead-based paint in residential housing, the sponsor will make all documents concerning the presence of lead-based paint which it has in its possession, if any, available for inspection at its office, during business hours via appointment. Sponsor will distribute to each tenant, a copy of EPA 747-K-94-001, or other similar publication, detailing lead-based paint information and sponsor will comply with all laws and applicable regulations pursuant to the requirements of the New York State Attorney General in Part 23 of Title 13 NYCRR, see Section 4.4.

1.0 GENERAL INFORMATION

DALTON ENVIRONMENTAL Ltd., has performed an asbestos survey to investigate the presence of asbestos containing material (ACM) in the subject premises and to render an opinion for further study, treatment, or, such operations and maintenance program as is deemed advisable. The scope of the report is limited to compliance with the requirements of the New York State Attorney General, regarding disclosure of the presence of ACM in offering plans for buildings undergoing conversion to residential cooperative or condominium status. The required information must include an evaluation of the ACM in the building, recommended methods of removal and/or treatment, and a protocol for the future management of ACM which will remain in the building, via an operations and maintenance (O&M) program.

"Asbestos" is the name of a class of magnesium-silicate minerals that occur in fibrous form. The most common minerals that are included in this group are chrysotile, amosite, and crocidolite. Whenever any of these materials is subjected to physical disturbance, vibration, or an airstream of significant velocity and duration, there is a likelihood of the release of respirable (breathable) airborne asbestos fibers. The exact relationship between exposure level to asbestos and health risk is a matter of debate although some epidemiological studies have established a correlation between exposure to respirable particles and some forms of fibrogenic disease. The US Environmental Protection Agency's efforts to regulate and control ACM in buildings is based upon its finding that airborne asbestos constitutes a hazardous emission as defined by 40 CFR 61, Subpart M, (National Emission Standards for Hazardous Air Pollutants).

Asbestos containing material has been used in a wide variety of manufactured goods and building materials including various types of fire proofing and thermal system (pipe, tank, boiler,) insulation such as is commonly found in older buildings in New York City.

The potential for an asbestos-containing product to release breathable fibers depends on its degree of friability. "Friable" means that the material can be crumbled with hand pressure and is therefore likely to emit fibers upon minimal physical disturbance. Asbestos pipe, tank or surfacing insulation may be friable whenever they are damaged or deteriorated. Conversely, asbestos containing materials which are not friable, *e.g.,* vinyl composition floor tile (VCT), where present may be managed in-place indefinitely until ultimately replaced during renovation.

1.1 Site Assessment Methods

The site assessment and review were conducted by DALTON ENVIRONMENTAL, Ltd. under the direct supervision of Dunewood Truglia, (M.S. Environmental Science,) a NYC Certified Asbestos Investigator qualified by experience, education and training in the investigation of asbestos containing building materials and approved bulk sampling techniques for suspected asbestos containing materials.

The inspection was limited to accessible space in the subject premises and was made in the presence of a representative of the owner or managing party. In order to determine whether or not a suspected material contains asbestos it is usually necessary to collect bulk samples for subsequent laboratory analysis. It is our opinion that all reasonably accessible areas were inspected with samples collected and analyzed as needed.

Bulk samples collected at the site were analyzed by standard petrographic polarized light microscopy (Dispersion Staining) which was performed by an independent testing laboratory qualified for asbestos analysis and certified in NIST/NVLAP and NYS ELAP programs. Analysis protocol was EPA's "Interim Method for the Determination of Asbestos Bulk Insulation Samples," 600/—4-83-020 (PLM/DS). Asbestos containing materials as defined by federal, state and local law are those materials which contain more than 1% asbestos.

Site inspection methods, document review and analytical protocol employed in this investigation were appropriate to and commensurate with experience, knowledge, observation, and familiarity with similarly situated property in this locale. The opinion of Dalton Environmental Ltd., is rendered with a reasonable degree of environmental inspection certainty, however, no warranties of any nature may be inferred and no representation to the contrary is intended. Caution is recommended when opening walls, access panels, or other normally inaccessible spaces or components containing thermal system installation; suspect materials found in those areas should be presumed asbestos until sampled and analyzed for confirmation as the situation arises.

Photographs were taken during the site visits, which fairly and accurately depict the conditions observed at the time of the inspection and the locations from which the bulk samples, if any, were collected. The findings therefore are representative of the general conditions observed at the time of the site inspections.

2.0 SITE DESCRIPTION and CHARACTERISTICS

2.1 Physical Site Inspection

The subject apartment building, constructed circa 1950, consists of 12 stories and a penthouse level, see Fig. 1, Appendix B. The building contains 96 units which are accessed via two enclosed stairwells and two elevators. With the exception of the elevator motor room and water tank accessed from the roof level, all utility and common areas are in the basement located below grade level.

DALTON ENVIRONMENTAL, Ltd., conducted physical site inspections of the basement, common areas and the residential portions of the building. Eleven apartments (11%) were accessed during the site inspection. No suspected ACM materials were present in any of the apartments.

Bulk samples of suspected asbestos containing materials were collected from the basement thermal system insulation during the site inspection. The samples were sent to an approved laboratory; the results were tabulated and included in Appendix A.

3.0 FINDINGS

The apartment units contained no accessible materials which could not be readily identified as non-ACM. No suspected asbestos containing materials (SACM) were present in any of the units accessed during the site inspection. However, a mix of ACM and non-ACM pipe and duct insulation was present in many basement common areas and utility rooms. Some of the ACM was found to be damaged and friable and remediation is recommended, see details contained in inspection notes below.

3.1 Inspection Notes - Common and Utility Areas

Boiler room - contained an estimated 225 linear feet of suspected ACM pipe and joint insulation, some of which was very damaged and friable, Samples 30-01 and 30-02, Appendix A and Figs. 16, 17, & 18, Appendix B. A mixture of ACM and non-ACM (mineral wool and/or fiberglass) was observed in various configurations adjacent to and above the dual Rockmills boilers which supply heat and hot water for the building. Apparently as repairs and upgrades have been made on prior occasions, some of the original ACM thermal system insulation had been replaced however much of it remained in various states of deterioration and damage. We recommend removal of all damaged SACM due to the high potential for further damage and disturbance in the course of routine maintenance and repair activities in this room.

Tank room (vault) - contained approximately 60 linear feet of 6" and 10" diameter "aircell" (suspected asbestos) pipe insulation along with some insulation present as floor debris. Much of the material located above the height of the oil tank, appeared to be damaged and friable, see Fig. 3, Appendix B and was of the same type as other materials which were sampled and analyzed as positive for asbestos. Although available information suggests that the tank room vault is accessed infrequently and its hatchway entrance is generally kept closed, due to the potential for disturbance during maintenance and inspection activities, it is recommended that all SACM be removed and the SACM floor debris be cleaned in a hygienic manner (*i.e.*, via wet methods and HEPA equipped vacuum) by certified personnel.

Porter's room (bathroom) - contained approximately 6 linear feet of SACM (vertical pipe run) which appeared to have been encapsulated and which was in fair to good condition.

Laundry room - contained 4 linear feet of 5" aircell SACM showing substantial contact damage. Repair is impractical due to the limited amount present. Due to the high potential for additional impact damage

and the fact that it's in a laundry room regularly used by occupants, this material should be removed, see Fig. 4, Appendix B.

Trunk room (wood storage) - This room contained at least 275 linear feet of pipe and joint insulation, see Fig. 5. Samples of typical joint and insulation material were analyzed and confirmed as containing asbestos, see Samples 30-03 and 30-04, Appendix A. The joint and pipe insulation materials in this room were present primarily at ceiling level (7') and were typical of much of the pipe and joint insulation observed in many of the other basement utility rooms. Some pipe and joint sections contained significant friable material present due to age deterioration, contact damage and leaks. These areas should be repaired and encapsulated pending complete removal during a comprehensive basement remediation project.

Spa (pool room) - contained approximately 20 linear feet of SACM, see Fig. 6, Appendix B. According to building maintenance personnel, some of the exposed and friable SACM pipe runs will be enclosed behind sheetrock upon completion of the renovation work and therefore will no longer be accessible. The remaining pipe runs located in the northeast corner of the spa room were in fair condition and should be repaired and encapsulated pending future abatement.

Paint room - contained 5 linear feet of SACM which traversed through wall opening into trunk room previously described above. This material should be repaired (encapsulated) pending removal.

Gas meter and electric room - contained a large flue duct traversing into two of the three separate rooms which comprise the gas meter and electric room, with approximately 180 square feet of confirmed ACM material. The duct (see Figs. 7 and 8, Appendix B) was in fair to good condition but was friable in several places where the insulation skin had been broken. Further damage or even failure of this component could easily result in widespread dispersal of asbestos fibers in the building due to the proximity to elevator shafts. The insulation on this high asbestos content duct should be repaired by certified personnel and cautionary signs placed to limit access and potential for further damage or disturbance. Maintain or isolate pending full abatement, see Samples 30-05, 30-06, 30-07.

The combined gas and electric rooms also contained an estimated 36 linear feet of SACM, see Fig. 9, Appendix B. Most of the pipe insulation was in good condition and may be left in place pending removal during future abatement work.

Compactor room - contained no SACM.

Super's office and shop rooms - contained approximately 120 linear feet of confirmed ACM, see Sample 30-08, Appendix A and Fig. 13, Appendix B. Some of the pipe insulation showed severe contact damage with a high potential for future disturbance and airborne fiber dispersal. All friable material should be repaired and encapsulated pending future removal. The material should not be subjected to disturbance by hanging articles from or storing articles above any horizontal ACM pipe runs; also leaks and other repairs seem to have exacerbated the deterioration of previously damaged insulation material.

Pepe's room (tool room) - contained approximately 15 linear feet of ACM, see Sample 30-09, Appendix A, showing damage and deterioration. Repair damage and encapsulate pending removal.

Basement hallway - contained approximately 36 linear feet of SACM most of which was at ceiling level (8') and in fair to good encapsulated condition. Maintain pending future abatement project.

Elevator machine room (roof) - contained approximately 8 linear feet of SACM on vertical run, in good condition; access is limited and may be repaired and maintained.

No suspected ACM was observed in stairwells. The roof water tank was inspected and unremarkable for friable material.

3.2 Inspection Notes - Apartments

Typically apartments were observed to have hardwood floors, or ceramic tile flooring with sheetrock walls and ceilings. Heat was supplied through uninsulated radiator convection units, see Fig. 11, Appendix B for representative configuration.

Access was obtained for 11 apartments during the site visit: PH-B, 12B, 11D-C, 10F, 9J, 9H, 8H, 7F, 3D, 3H, and M-3. The two ground floor professional office spaces were also inspected.

All units had similar finish and construction materials. No unboxed risers were observed. No suspected ACM was present in any of the units accessed. However, due to the age and construction of the building and the presence of ACM pipe and duct insulation in basement spaces, ACM (asbestos pipe insulation) may be present behind walls or in other areas not normally accessible. Caution is recommended along with additional analysis of suspected materials when undertaking repair or renovation involving the opening of walls or, (in professional spaces) the destructive repair of floor (VCT) or ceiling materials.

4.0 CONCLUSIONS and RECOMMENDATIONS

4.1 Conclusion

No asbestos containing material was observed to be present in any of the apartments accessed. Building management personnel confirmed that the 11 apartments which were inspected were typical both in construction and type of materials found in all of the unrenovated apartment units in the building.

Significant amounts of friable ACM pipe and flue duct insulation are present in basement utility and common areas. Some of the materials are damaged and friable and should be removed, or repaired and encapsulated, by a licensed abatement contractor.

4.2 Remediation, Recommendations

The ACM insulation on pipe runs located primarily in basement utility rooms should not be disturbed pending repair or encapsulation as addressed above. Although a model operations and maintenance protocol attached as Appendix C may be implemented in the short term to manage the material, much of it is damaged and friable and should be removed in a hygienic manner pursuant to a comprehensive future abatement project performed in accordance with applicable regulation.

Although no ACM was observed in any of the apartment units, and no remediation is necessary, caution is suggested as a general rule for older buildings where asbestos may be present in normally non-accessible structures. Whenever opening walls, utility access panels or other normally inaccessible components during plumbing repair or renovation, additional investigation and analysis may be necessary whenever unidentified thermal system insulation materials are present. If encountered the materials should be presumed asbestos and not disturbed pending bulk sample analysis and remediation if necessary.

Applicable Asbestos Standards

Federal -

29 CFR 1910.1001;51 CFR 1926.58; 29 CFR 1910.134
29 CFR 1910.145; 30 CFR 230 & 231; 40 CFR 61 Subpart M
40 CFR 763 (as applicable)

State of New York -

New York State Environmental Conservation Laws
Article 27 Title 3 Part 364
Article 27 Title 6 & 7 Part 360
Chapter 775 of the Laws of the State of New York
Labor Law, Article 30, Industrial Code Rule 56
Title 12 NYCRR as applicable

Title 13 NYCRR, Parts 18, 20 and 21

Local Laws 70 and 76 of 1985 City of New York (where applicable),
Local Law 21 of 1987 City of New York (where applicable), each as codified in Title 15 of the Rules of the City of New York

4.3 Operations and Maintenance Plan

It is recommended that pending full abatement of all friable ACM, a plan for the management of asbestos containing material be implemented. Such a plan is a stop gap measure designed to prevent unhygienic treatment, or disturbance, of ACM in order to minimize exposure of building occupants and maintenance personnel to airborne asbestos fibers; see Model Operations and Maintenance plan attached as Appendix C.

4.4 Lead-based Paint Regulation Disclosure

Due to age and construction configuration of the subject premises, it is possible that lead-based paint may be present in a variety of areas throughout the building. Pursuant to various federal, state or local laws mandating the disclosure of information concerning the presence of lead-based paint in residential housing, sponsor will distribute to each tenant's apartment, a copy of EPA 747-K-94-001 detailing important lead-based paint information. Under subdivision (6) of Section 23.3(kk), the regulation requires disclosing the existence of applicable federal, state or local laws concerning lead-based paint, see regulatory advice below. Under subdivision (dd) of Section 23.7 of Title 13 NYCRR, a sponsor must disclose any records, reports, violation and any other information know or available to the sponsor or its agents concerning the presence of lead-based paint and/or lead-based paint hazards. Therefore the sponsor will make all documents concerning the presence of lead-based paint which it has in its possession, available for inspection at its office, during regular business hours via appointment. Finally, the sponsor will comply with all laws and applicable regulations concerning lead-based paint pursuant to the requirements of the New York State Attorney General in Part 23 of Title 13 NYCRR.

Applicable Lead-based Paint Regulations

Federal -

42 USC 485 2d, 24 CFR Part 35, EPA HUD final Rule, 40 CFR Part 745

State -

Part 23 of Title 13 NYCRR (subdivision(6) of Section 23.3(kk) and subdivision (dd) of Section 23.7) of the regulations of the New York State Attorney General

Local -
NYC Local Law 1 codified at NYC Housing Maintenance Code § 27-2013(h) and *cf.*, Title 28 RCNY 11, and as amended.

5.0 LIMITED WARRANTY

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5.1 Disclaimer of Liability

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DALTON ENVIRONMENTAL, Ltd.

by: _____
Dunewood Truglia, President

APPENDIX A

Bulk Sample Analyses

Analytical Data
(Samples 30-01 through 30-10)

Subject Property

30 East 37th Street
New York, NY

39 WEST 38TH STREET
12TH FLOOR
NEW YORK, NY 10018

DALTON ENVIRONMENTAL
30 E. 37TH STREET

SAMPLE DATE: 10/6/2004
DATE RECEIVED: 10/8/2004
REPORT DATE: 10/12/2004

TEST REPORT
POLARIZED LIGHT MICROSCOPY (PLM)
PROJECT: 04-1947

Sample/ Lab ID	LOCATION	APPEARANCE	SAMPLE TREATMENT	ASBESTOS TYPE %	FIBROUS TYPE %	NON-FIBROUS TYPE %
30-01 130895	JOINT INSULATION BOILER ROOM (5" PIPE JOINT	GREY FIBROUS HETEROGENEOUS	TEASED/ DISSOLVED	CHRYSOTILE 7%	FIBERGLASS 8% MIN. WOOL 4%	CARBONATES QUARTZ 81%
30-02 130896	PIPE INSULATION BOILER ROOM 5" PIPE	GREY/BROWN FIBROUS HETEROGENEOUS	TEASED/ DISSOLVED	CHRYSOTILE 20%	CELLULOSE 13%	CARBONATES QUARTZ 67%
30-03 130897	TRUNK ROOM PIPE INSULATION 8" PIPE	GREY/WHITE FIBROUS HETEROGENEOUS	TEASED/ DISSOLVED	CHRYSOTILE 15%	CELLULOSE 15%	CARBONATES QUARTZ 70%
30-04 130898	TRUNK ROOM JOINT INSULATION 8" PIPE	GREY/BROWN FIBROUS HETEROGENEOUS	TEASED/ DISSOLVED	CHRYSOTILE 29%	CELLULOSE 9%	CARBONATES QUARTZ 62%
30-05 130899	GAS METER ROOM FLUE DUCT CEMENTITIOUS MATERIAL	GREY FIBROUS HETEROGENEOUS	TEASED/ DISSOLVED	AMOSITE 29%	CELLULOSE 2%	CARBONATES 69%
30-06 130900	GAS METER ROOM FLUE DUCT 2ND SAMPLE CEMENTITIOUS	WHITE/GREY FIBROUS HETEROGENEOUS	TEASED/ DISSOLVED	AMOSITE 36%		CARBONATES 64%
30-07 130901	METER ROOM (SMALL RM) FLUE DUCT	WHITE/GREY FIBROUS HETEROGENEOUS	TEASED/ DISSOLVED	CHRYSOTILE 36% AMOSITE 4%		CARBONATES QUARTZ 60%
30-08 130902	SUPER'S OFFICE 4" PIPE INSULATION	WHITE/GREY FIBROUS HETEROGENEOUS	TEASED/ DISSOLVED	CHRYSOTILE 25%	CELLULOSE 10%	CARBONATES QUARTZ 65%
30-09 130903	PIPE INSULATION (PEPE'S ROOM 8")	WHITE/GREY FIBROUS HETEROGENEOUS	TEASED/ DISSOLVED	CHRYSOTILE 31%	CELLULOSE 10%	CARBONATES QUARTZ 59%
30-10 130904	OLD SHEETROCK FROM POOL ROOM	GREY/BROWN FIBROUS HETEROGENEOUS	CRUSHED/ DISSOLVED	NONE DETECTED	CELLULOSE 27% FIBERGLASS 2%	GYPSUM QUARTZ BINDER/FILLER 71%

Approved Signatory: _____ Analyst: A. GOSS Date Analyzed: 10/9/04

Microscope: Nikon Labophot POL Method: PLM With DS EPA 600/R-93/116 and ELAP 198.1
Methods of stratified point-counting or negative scanning are used on 4 mounts. Polarized light microscopy is not consistently reliable in detecting asbestos in floor covering/non-friable organically bound materials (NOB's). NOB's should be analyzed by quantitative TEM. The above test report relates only to item tested. Layered samples are analyzed by layer. Any positive layer will be reported separately. Asbestos % is based on visual estimate using point counting rules described in ELAP 198.1. The sample results are accurate to within +/- 5-10 percent as measured by the calibrated visual method. Airtek collects samples in accordance with EPA 40 CFR Part 763. This report should not be used to claim product certification, approval or endorsement by NVLAP, NIST or any agency of the federal government and may not be reproduced, except in full, without written approval by Airtek.

Currently approved by ELAP (11040) for Asbestos in Friable Material EPA 600/M4/82/020. Accreditation Valid Through: April 1, 2005.
Currently accredited by the NVLAP lab code 102011-0 for Bulk Asbestos Analysis (PLM). Accreditation Valid Through: March 31, 2005.
Currently accredited by AIHA (100275) for Bulk Asbestos Analysis (PLM). Accreditation Valid Through: April 1, 2006.

APPENDIX B

PHOTOGRAPHS

(October 6, 2004)

Subject Property:

30 East 37th Street
New York, NY

Fig. 1 Exterior, 30 East 37th Street
Fig. 2 Hallway, typical materials and construction
Fig. 3 SACM pipe insulation in tank vault
Fig. 4 Basement laundry room
Fig. 5 Trunk room, location of Samples 30-03 and 30-04
Fig. 6 Spa (pool room), Sample 30-10
Fig. 7 34 Butler, renovated Apt. 17
Fig. 8 Duct insulation from small room of gas and electric meter room, Samples 30-05 and 30-07
Fig. 9 Duct insulation from middle room of gas and electric meter room, Sample 30-06
Fig. 10 Basement hallway, overhead SACM pipe runs, east end
Fig. 11 Typical apartment materials and construction
Fig. 12 Ceramic or VCT kitchen tile
Fig. 13 Shop, showing mix of insulated SACM and non-ACM thermal system insulation
Fig. 14 Super's shop, overhead, ACM Sample 30-08
Fig. 15 Rockmills boilers, metal jacketed, non ACM
Fig. 16 Boiler room joint insulation Sample 30-01
Fig. 17 Boiler room pipe insulation Sample 30-02
Fig. 18 Boiler room typical mix of old ACM and new retrofitted non-ACM pipe insulation

30 East 37th Street



Fig. 1- 30 East 37th Street

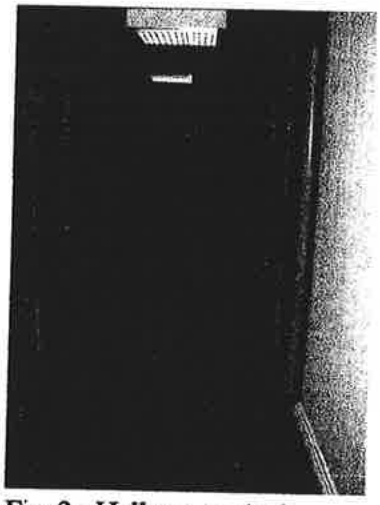


Fig. 2 - Hallway, typical construction and materials



Fig. 3 - Pipe runs located in tank vault.

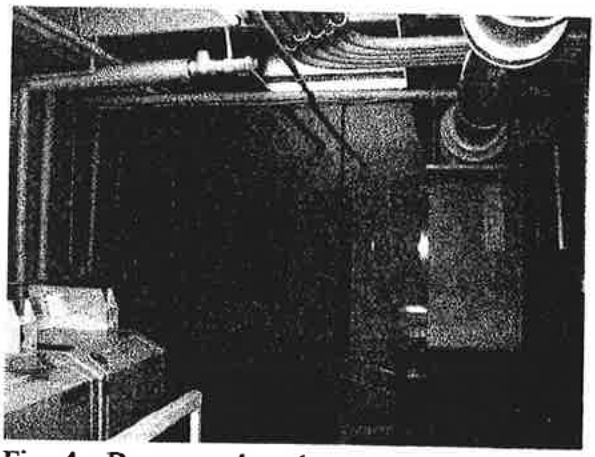


Fig. 4 - Basement laundry room

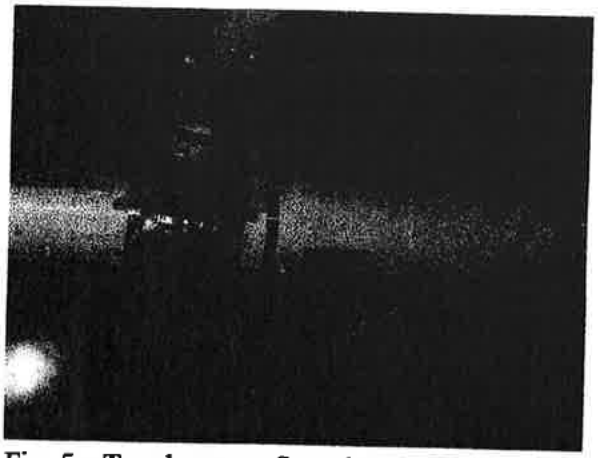


Fig. 5 - Trunk room, Samples 30-03, 30-04



Fig. 6 - Spa (pool room) Sample 30-10

APPENDIX C

OPERATIONS & MAINTENANCE PROGRAM

The presence of undamaged and non-friable asbestos in this building does not mean that the health of building occupants is necessarily endangered. As long as the SACM remains in good condition and is not disturbed, the risk of hazardous exposure is minimized. The potential for fiber release from SACM determines the need for and scheduling of future treatment. The nature and location of the material will determine the abatement method. All personnel with work responsibility in the any areas in which friable asbestos containing material is present should be properly supervised and supplied with appropriate personal protective equipment. Also, this suggested protocol will only be effective to manage ACM which is not damaged or friable to begin with.

PROGRAM ESTABLISHMENT

The building owner/manager should implement an operations and maintenance program pursuant to the guidelines set forth in EPA 560/5-85-024 (Guidance for Controlling Asbestos- Containing Materials in Buildings, as amended,) in order to safely manage suspected asbestos containing material which is not scheduled to be removed via abatement. The purpose of this program is to provide periodic monitoring and inspection of the SACM remaining in the building to ensure that its presence does not become hazardous due to damage or disturbance which might cause asbestos fibers to become airborne.

The program consists of appointing an asbestos (O&M) manager, who may be an independent consultant, with qualifications commensurate with the scope of the task who will develop and implement a schedule for documenting and monitoring all SACM in basement areas in which removal has not been completed.

The manager will inform building occupants and custodial staff with access to affected areas, of the location of SACM and caution them about disturbing it. The manager will train workers to clean and handle SACM properly; will supervise the cleaning of areas which may be contaminated; will notify the proper governmental bodies pursuant to applicable regulations before any removal work or demolition is done; and will document all periodic inspections for damage and deterioration, with appropriate tests as necessary.

IMPLEMENTATION

An assessment of the condition of SACM should first evaluate: the quality of the installation, the adhesion of the friable material to the underlying substrate, deterioration, and the presence of damage from vandalism or any other cause. Generally, evidence of debris on horizontal surfaces, hanging material, dislodged chunks, scrapings, indentations, or cracking are indicators of poor material condition and should be carefully managed to prevent further release of airborne fibers.

Accidental or deliberate physical contact with any friable material can result in damage. The asbestos manager should look for any evidence that the SACM has been disturbed: finger marks in the material, graffiti, pieces dislodged or missing, scrape marks in the ACM pipe insulation.

SACM may deteriorate as a result of either the quality of the installation or environmental factors which affect the cohesive strength of the SACM itself or the strength of its adhesion to the substrate. Deterioration can result in the accumulation of dust on the surface of the SACM, delamination of the material, or an adhesive failure of the material where it pulls away from the substrate.

Water from leaks or high humidity areas can dislodge, delaminate, or disturb friable SACM that is in otherwise good condition and can increase the potential for fiber release by dissolving and washing out the binders in the material. Materials which were not considered friable may become friable after water has dissolved and leached out the associated binders. Water can also act as a conduit to carry fibers to other areas where evaporation will leave a collection of fibers that can become airborne. Several specific areas of leak damage were identified in the subject premises.

Also note that moving air may erode any SACM present and over time will result in a low grade release of fibers on a continuing basis. This should be considered in any long term O&M program.

If friable SACM can be reached by building users or maintenance people, either directly or by impact from objects used in the area, it is accessible and subject to accidental or intentional contact and damage. Maintenance in the utility rooms in this building should be done without unnecessary contact with or disturbance of any SACM duct, pipe or joint insulation until all friable material has been repaired and encapsulated.

In general, for a site to show a high potential for disturbance of friable SACM, it must be exposed, accessible and be located near movement corridors or subject to vibration. The amount of SACM exposed to occupied areas will contribute to the potential for disturbance. SACM that can be seen is exposed and for a material to be considered unexposed a physical barrier must be present which is complete, undamaged, and unlikely to be removed or dislodged.

No vacuuming should be done by building maintenance personnel of suspected asbestos debris without special vacuums (HEPA filter equipped) as ordinary shop vacuums cannot trap respirable asbestos dust particles and usually succeed only in exhausting these into the air through the discharge end.

OPERATIONS and MAINTENANCE RECOMMENDATION

An asbestos maintenance (O&M) program should be initiated in any building which does not intend to undergo complete abatement of all asbestos containing materials. Such a program should include, (as applicable):

- Development of an inventory of all asbestos containing materials in the facility; (See above inspection notes which catalog the type and amount present herein)
- Periodic examination of all asbestos containing materials to detect deterioration and record change of conditions;
- Procedures for handling asbestos materials during the performance of small scale, short duration maintenance and renovation activities;
- Procedures for minimizing the disturbance of ACM;
- Procedures for asbestos disposal; and
- Procedures for dealing with asbestos related emergencies including small scale fiber release.

The O&M program should continue until all friable asbestos containing material is ultimately removed from the building's basement space.

Note that persons who handle asbestos containing materials as defined by New York State Law (Title 12, NYCRR, (Industrial Code Rule 56) and/or Title 15 of the Rules of the City of New York (Asbestos Control Program), are required to be certified as handlers and/or supervisors and may not engage in any abatement activity other than small scale emergency repairs unless duly certified pursuant to said laws.

The O&M program should provide for:

1. Alerting workers and building occupants to the location of ACM.

2. Training custodial and maintenance personnel in proper cleaning and maintenance.

3. Implementing initial and periodic cleaning using special methods.

4. Establishing a process that assures ACM is not disturbed during routine building repairs and renovations.

5. Periodically re-inspecting areas with ACM to document changes.

The O&M manager should:

1. Record the exact location of asbestos-containing insulation on building documents (plans or drawings if available) or by photographic record which has been done in this instance.

2. Inform maintenance and custodial workers about the location of asbestos containing insulation, and caution them about disturbing it.

3. Post signs reading, "Caution-Asbestos", on all pipe and duct runs containing asbestos insulation.

4. Require all maintenance and custodial personnel to wear at least a half-face respirator with disposable HEPA cartridge filters during initial cleaning and whenever they come in contact with asbestos containing materials.

5. Train custodial workers to clean properly and maintenance workers to handle ACM safely. Provide respirators and other personal protective equipment.

TRAINING

Members of the building's maintenance staff including (electricians, heating/air conditioning engineers, plumbers, etc.) who may be required to handle asbestos containing materials should be trained in a safe procedures. Such training should include as needed:

- Information regarding types of asbestos and its various uses and forms;

- Information on health effects associated with asbestos exposure including the synergistic effects of smoking and asbestos exposure;

- Descriptions of the proper methods of handling asbestos containing materials; and

- Information on the use of HEPA-equipped dual cartridge respiratory and other personal protection during maintenance activities.

GENERAL MAINTENANCE STAFF OPERATION

The Maintenance staff should:

1. Clear all construction, renovation, maintenance, or equipment repair work with the O&M manager in advance.

2. Avoid patching and repair work on insulation until the ACM has been assessed by the O&M manager.

3. Inform the O&M manager when damage to the insulation is observed or when debris is cleaned up.

The procedures described below should be utilized to protect building occupants during all operations and maintenance activities involving the disturbance of friable ACM:

1. Restrict entry into the area by persons other than those necessary to perform the maintenance project either by physically isolating the area or by scheduling.

2. Post signs to prevent entry by unauthorized persons.

3. Shut off or temporarily modify area air handling system and restrict other sources of air movement in the work area.

4. Use work practices or other controls, such as wet methods, protective clothing, HEPA vacuums, mini-enclosures, glove bags, as necessary to inhibit the spread of any released fibers.

5. Clean all fixtures or other components in the immediate work area via wet methods.

6. Place the asbestos debris and other cleaning materials in a sealed, leaktight container for proper disposal in accordance with applicable regulation.

PROHIBITED ACTIVITIES

The training program for the maintenance staff should describe activities that are prohibited when asbestos containing materials are involved. For example, maintenance staff employees should be instructed:

- Not to drill holes in asbestos-containing materials;
- Not to hang wires or structures on pipe runs covered with asbestos containing materials.
- Not to sand or abrade asbestos containing materials.
- Not to damage asbestos containing materials while moving objects or conducting repairs.
- Not to install dividers in such a way that they damage asbestos containing materials.
- Not to dust floors, ceilings, moldings or other surfaces in asbestos contaminated environments with a dry brush or sweep with a dry broom.
- Not to use an ordinary vacuum to clean up asbestos containing debris.
- Not to remove ventilation system filters dry; and
- Not to shake ventilation system filters.

PERIODIC INSPECTION

Periodically, a New York City Certified Asbestos Investigator should:

1. Inspect all insulation for damage or deterioration at least once per year and report findings to the O&M manager.

2. Investigate the source of debris found by the custodial staff and authorize air sampling if necessary.

The foregoing comments are not to be construed as exhaustive but merely serve to serve as general recommendations concerning the issues which must necessarily be considered in dealing with the potential hazard of SACM remaining in the basement areas of the building prior to full abatement.

APPENDIX D

DUNEWOOD TRUGLIA

PRESIDENT

Education

J.D., Widener College, The Delaware Law School, 1976; Admitted in NY and Washington, DC; also M.S., Environmental Science, Hunter College, CUNY, Honors.

Environmental Project Experience

Since 1986, director and coordinator for more than eight hundred environmental inspections, remediation and quality assurance monitoring projects. Author of legal and trade publication articles on the science of environmental management and OSHA compliance matters.

Formerly principal, **THE COURDITH-ROBERTS GROUP**, an environmental science and engineering firm specializing in the management of environmental projects, compliance audits, the production of technical specifications, air monitoring and forensic support services. Current principal, **DALTON ENVIRONMENTAL, Ltd.**, a Long Island based environmental consultant specializing in environmental/ legal matters.

US EPA AHERA Training; Director, CRG Continuing Education Program; Courses at The McCrone Institute in Polarized and Phase Contrast Light Microscopy; Robert Wood Johnson University, Mid-Atlantic Asbestos Training Center, NIOSH 582, Phase Contrast Microscopy and Polarized Light Microscopy; NYC Certified Asbestos Investigator, (NYC DEP) NYS Certified Investigator,(NYS DOL); NJ Certified Asbestos Safety Technician (SNJ DCA); former CRG Lab QA/QC Director; OSHA 40 Hr. training.

Teaching Experience

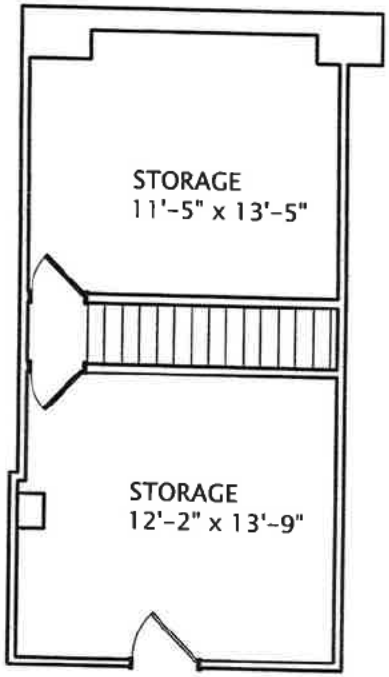
Former lecturer, St. George's University, School of Medicine, Granada, WI, 1981 to 1989; (Regulatory Update Seminars,) New York University, The Real Estate Institute, 1987 to 1989; Instructor in US EPA AHERA regulatory compliance for National Asbestos Training Institute; 1986 through 1990, Environmental Training & Compliance director Courdith-Roberts, Ltd., Guest lecturer, various organizations. 1991 through present, Principal Consultant, Dalton Environmental, Ltd.

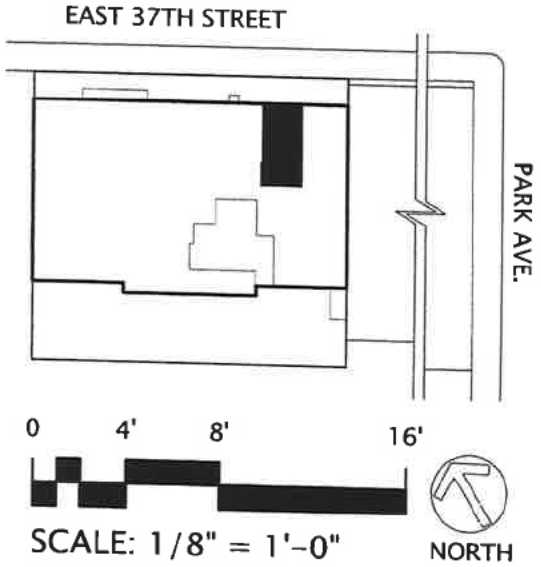
EXHIBIT F

FLOOR PLANS OF CONDOMINIUM UNITS

THE FOLLOWING PAGES SET FORTH THE FLOOR PLANS. PROSPECTIVE PURCHASERS ARE ADVISED THAT ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. THE FLOOR NUMBERS INDICATED ON THE FLOOR PLANS ARE AS PRESENTLY EXISTING IN THE BUILDING AND NOT AS DESIGNATED BY THE NEW YORK CITY DEPARTMENT OF BUILDINGS.

Sponsor reserves the right to make changes in the arrangements and dimensions of the Units in accordance with the Offering Plan.

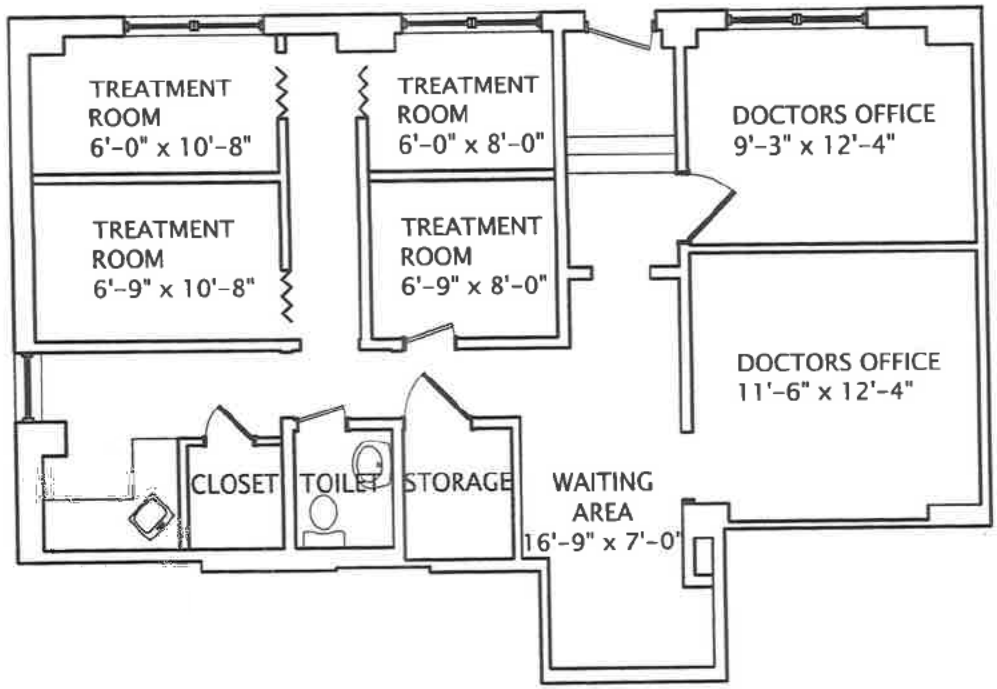


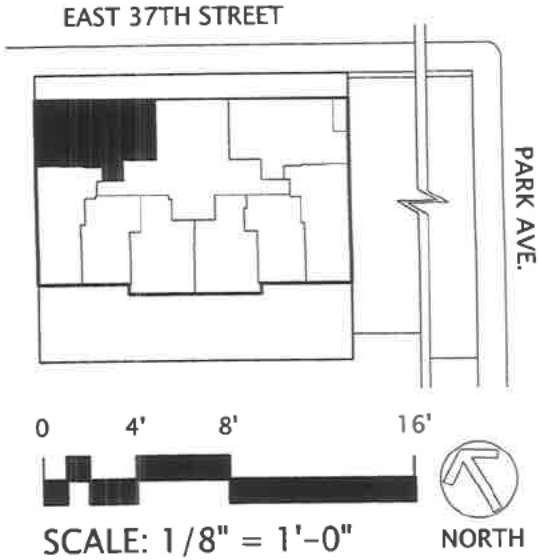


SCALE: 1/8" = 1'-0"

CELLAR STORAGE UNIT
389 S.F.

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.

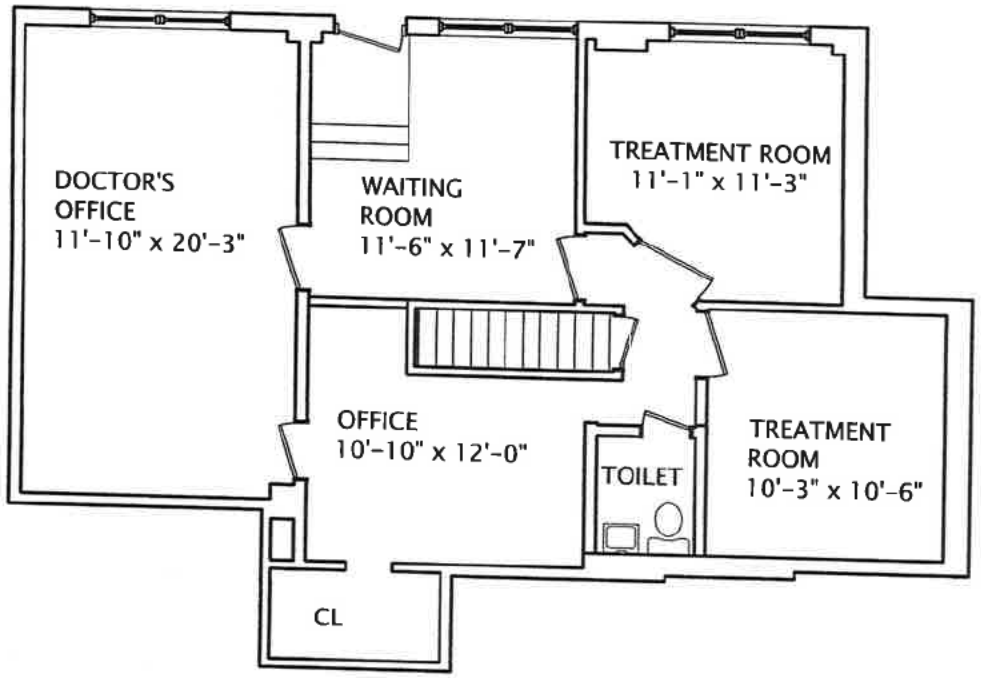


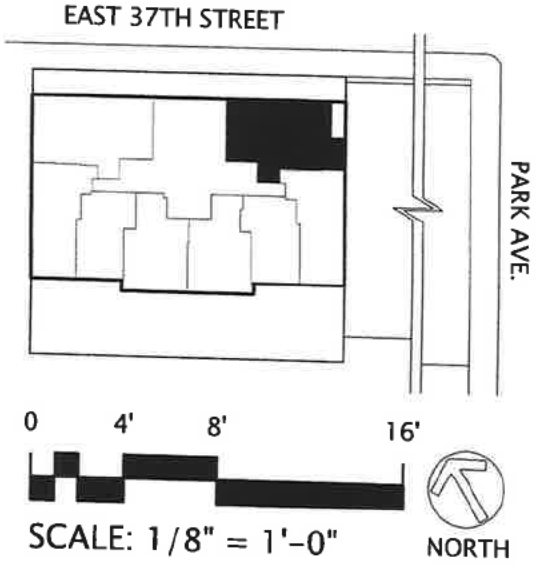


SCALE: 1/8" = 1'-0"

MEDICAL OFFICE 1
990 S.F.

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.



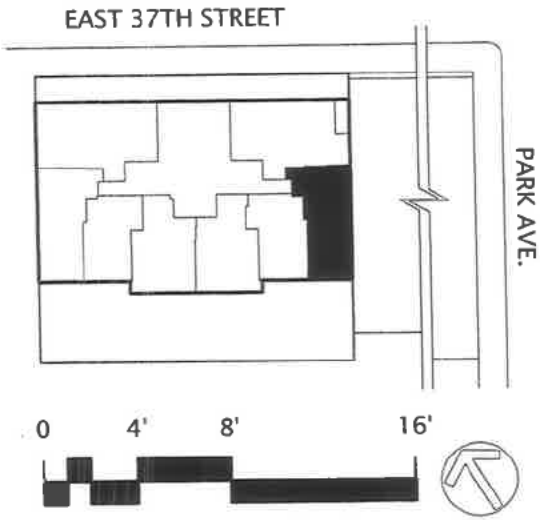


SCALE: 1/8" = 1'-0"

MEDICAL OFFICE 2
919 S.F.

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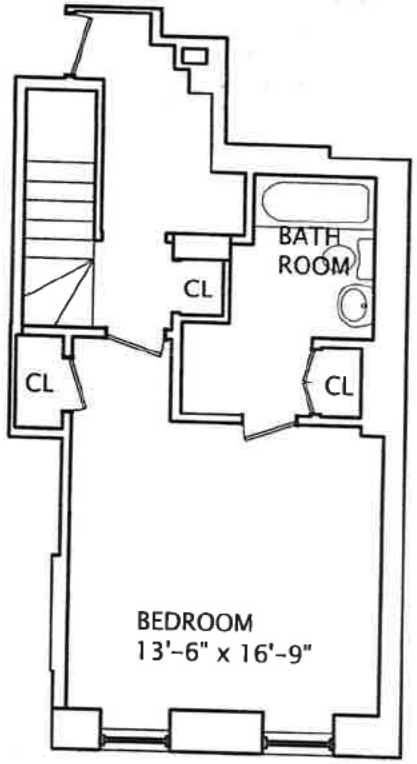


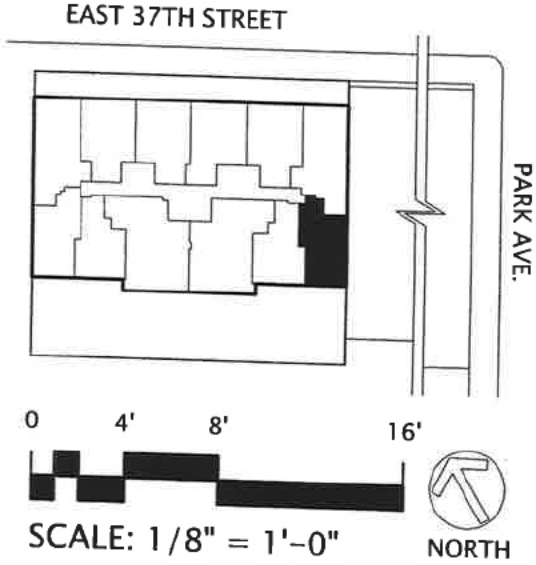
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APARTMENT M1
1,127 S.F.
LOWER LEVEL: 684 S.F.

1 BEDROOM
1 BATHROOM
(1) HALF BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.



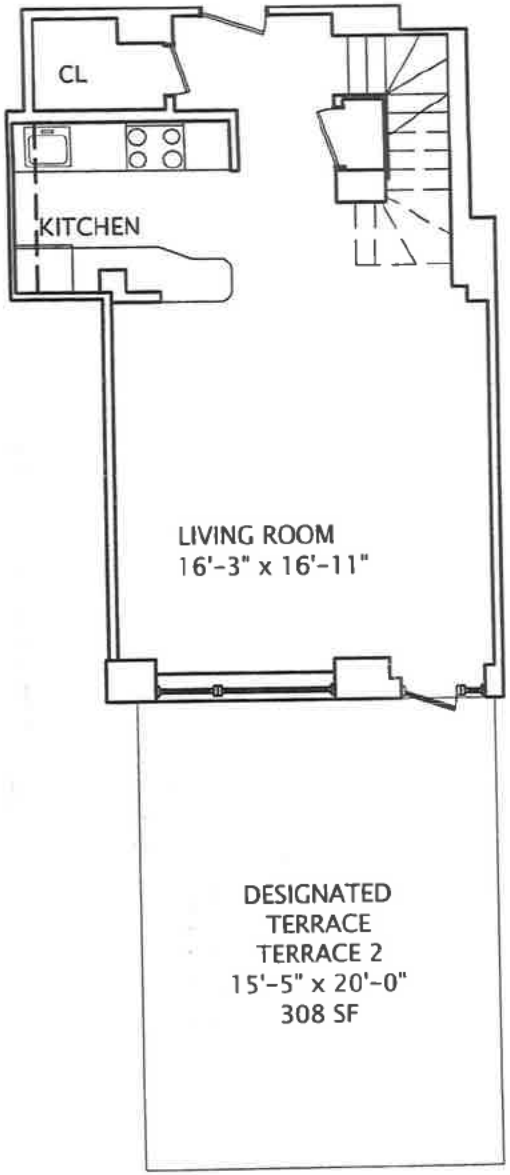


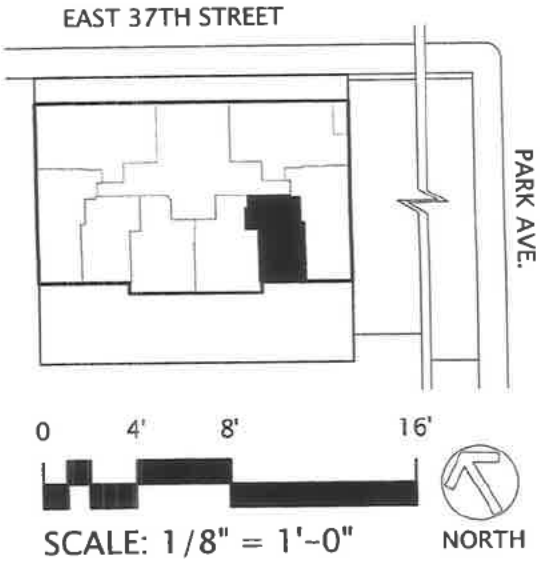
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APARTMENT M1
1,127 S.F.
UPPER LEVEL: 443 S.F.

1 BEDROOM
1 BATHROOM
(1) HALF BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.



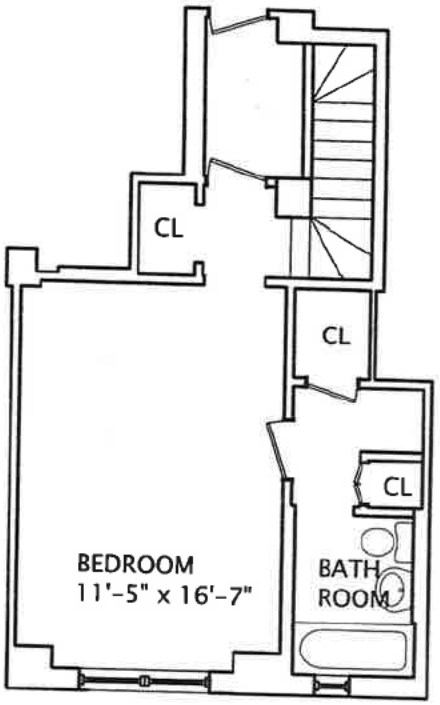


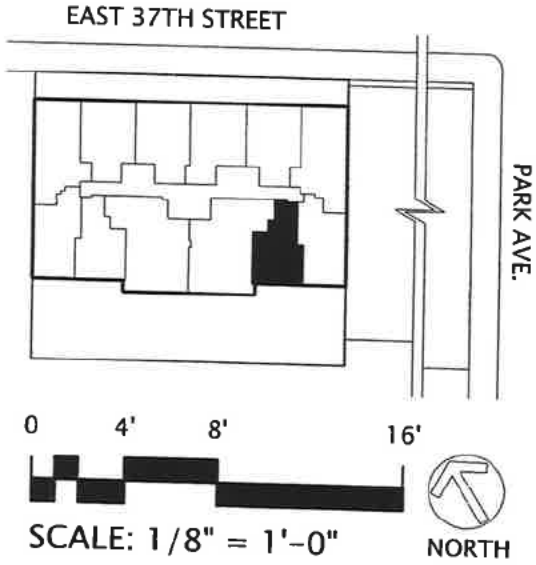
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APARTMENT M2
927 S.F.
LOWER LEVEL: 523 S.F.

1 BEDROOM
1 BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.



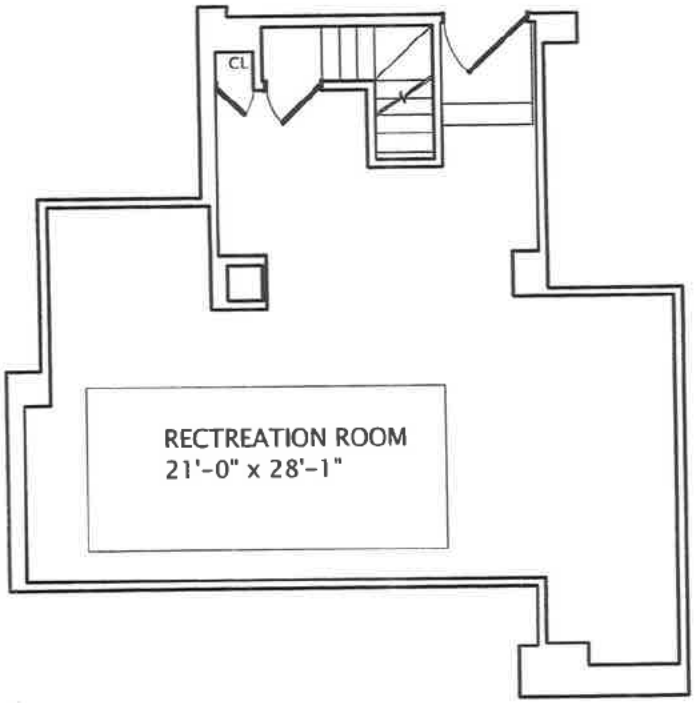


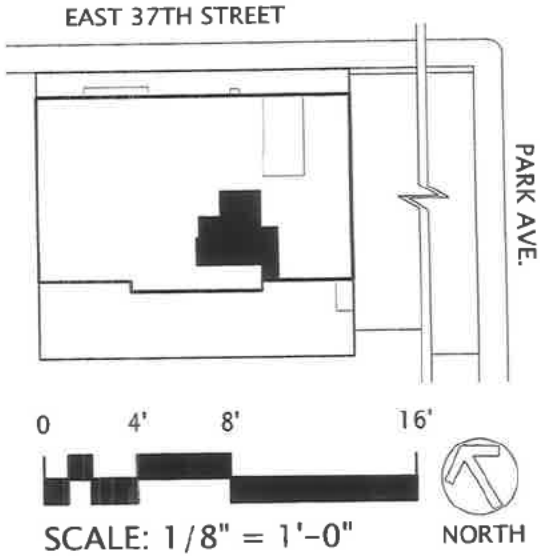
SCALE: 1/8" = 1'-0"

APARTMENT M2
927 S.F.
UPPER LEVEL: 404 S.F.

1 BEDROOM
1 BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.



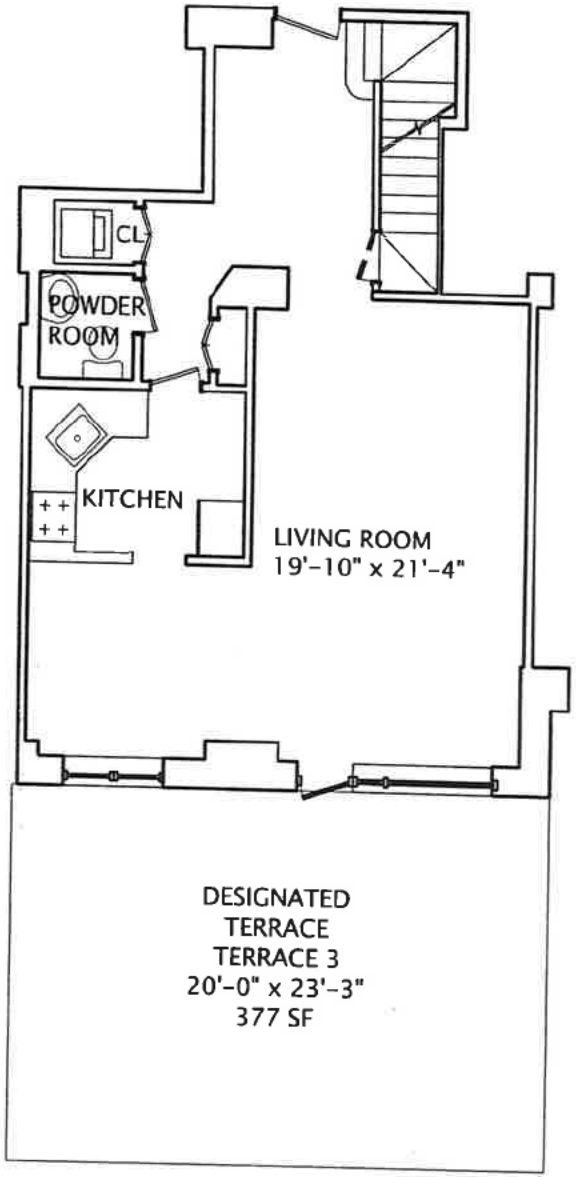


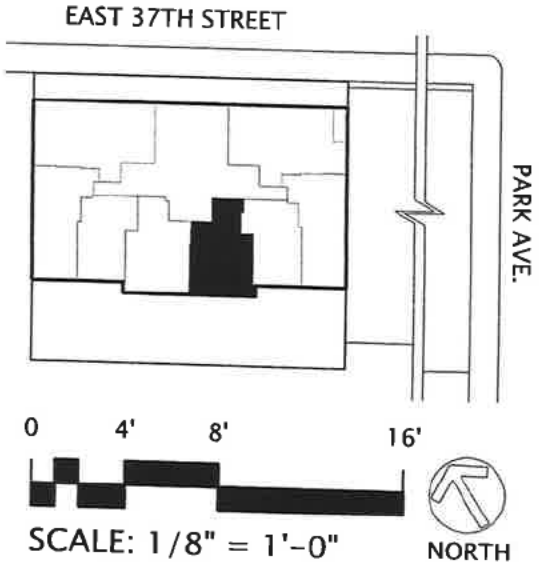
SCALE: 1/8" = 1'-0"

APARTMENT M3
1946 S.F.
LOWER LEVEL: 583 S.F.

2 BEDROOMS
2 BATHROOMS
(1) HALF BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.

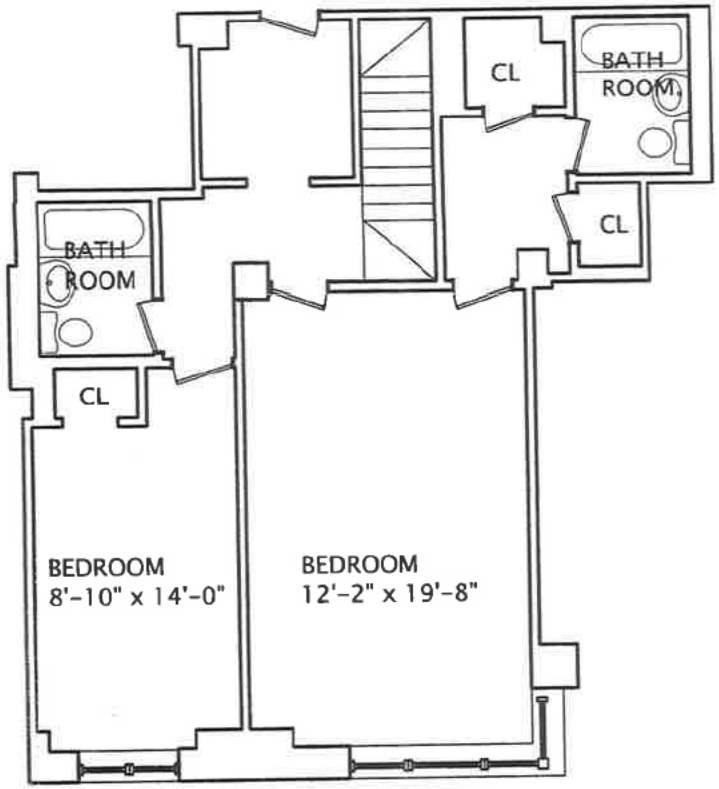


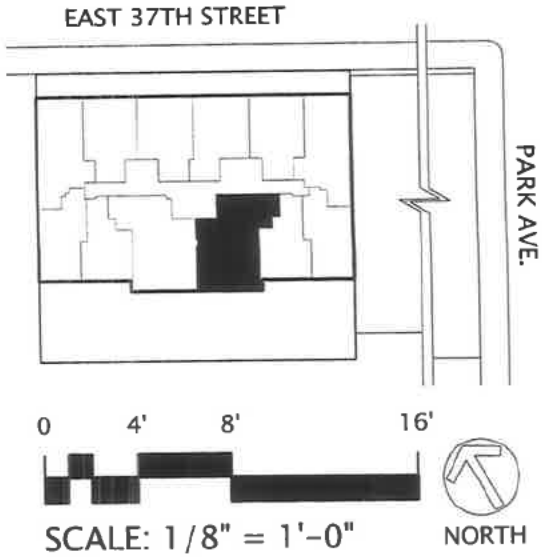


APARTMENT M3
1946 S.F.
MIDDLE LEVEL: 622 S.F.

2 BEDROOMS
2 BATHROOMS
(1) HALF BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.



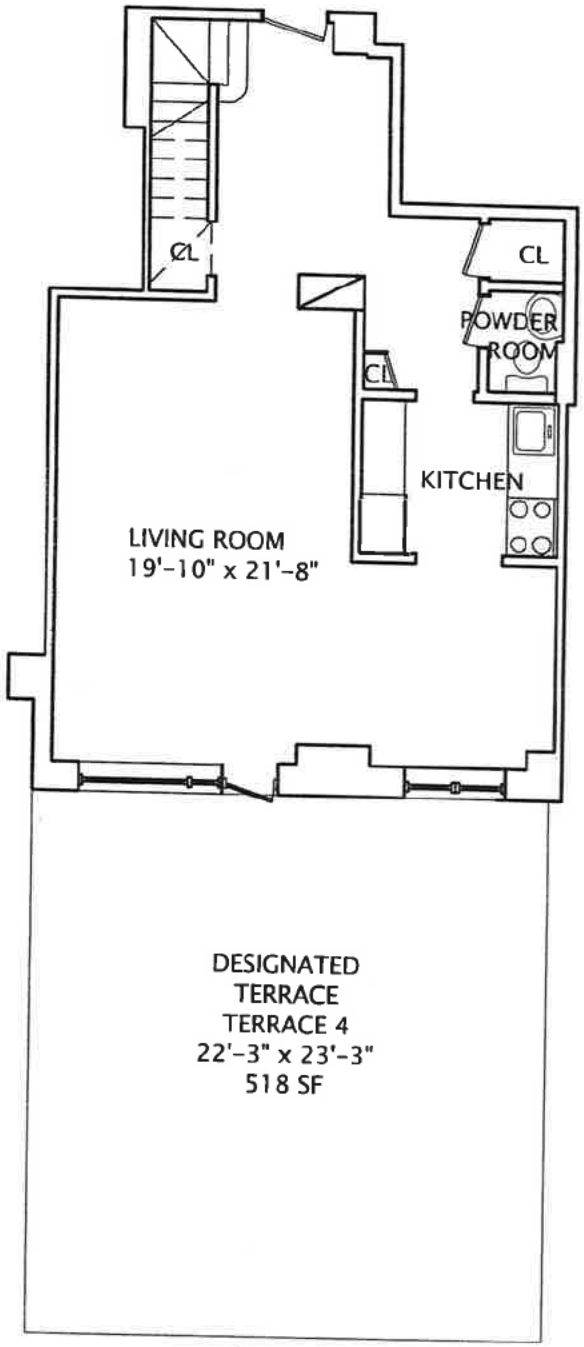


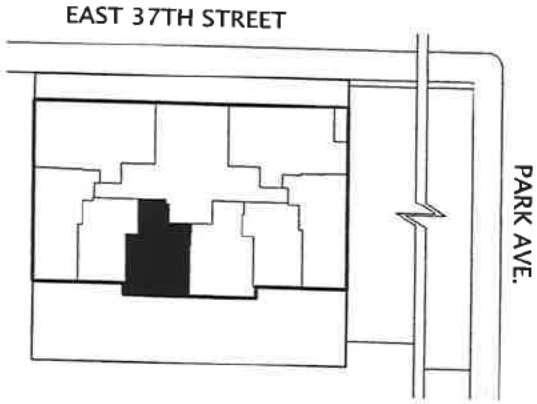
SCALE: 1/8" = 1'-0"

APARTMENT M3
1946 S.F.
UPPER LEVEL:741 S.F.

2 BEDROOMS
2 BATHROOMS
(1) HALF BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.





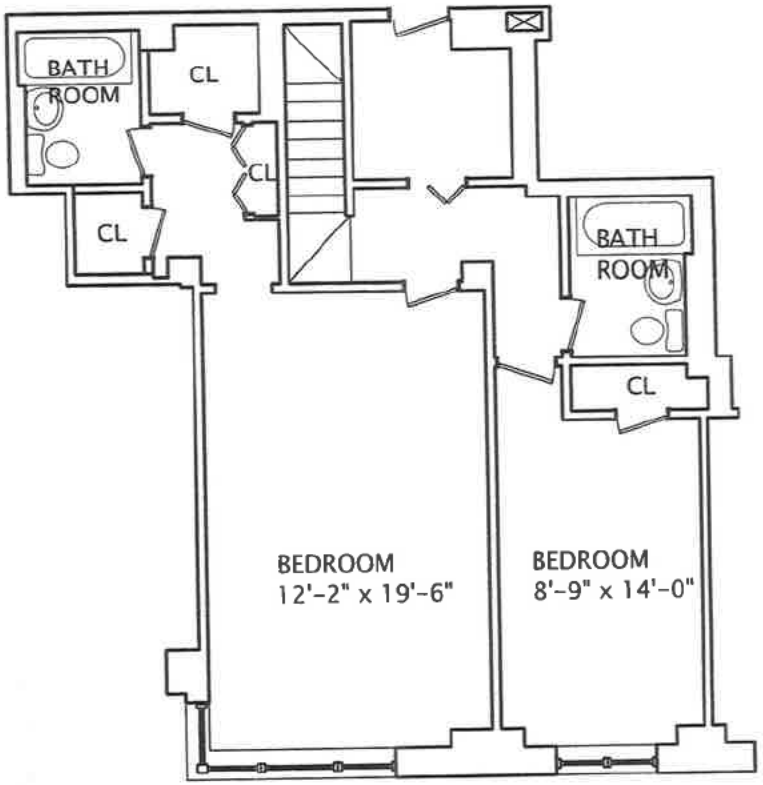
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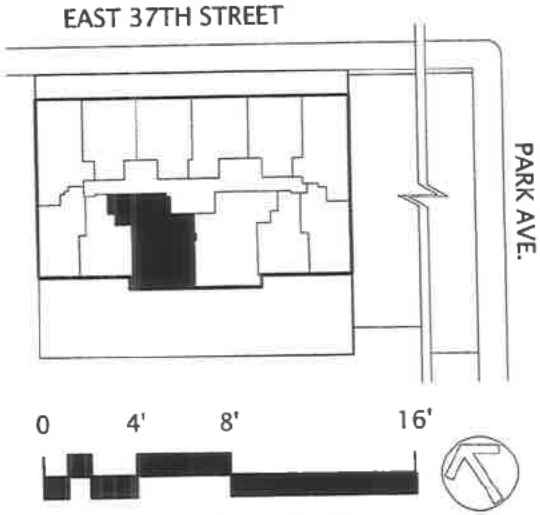
NORTH

APARTMENT M4
1377 S.F.
LOWER LEVEL: 632 S.F.

2 BEDROOM
2 BATHROOM
(1) HALF BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.



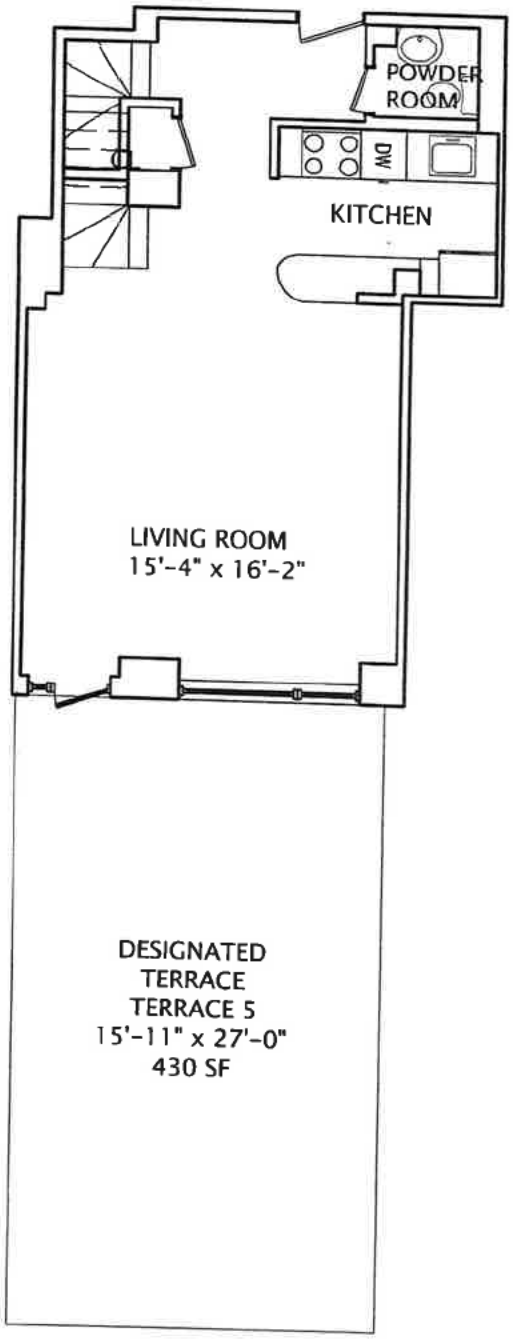


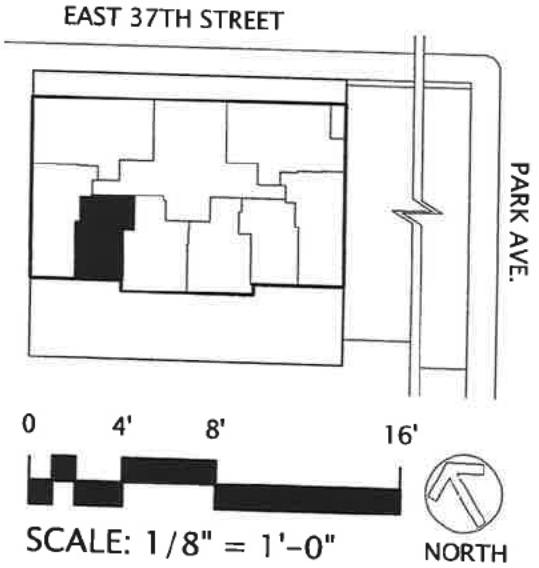
SCALE: 1/8" = 1'-0"

APARTMENT M4
1377 S.F.
UPPER LEVEL: 745 S.F.

2 BEDROOM
2 BATHROOM
(1) HALF BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.



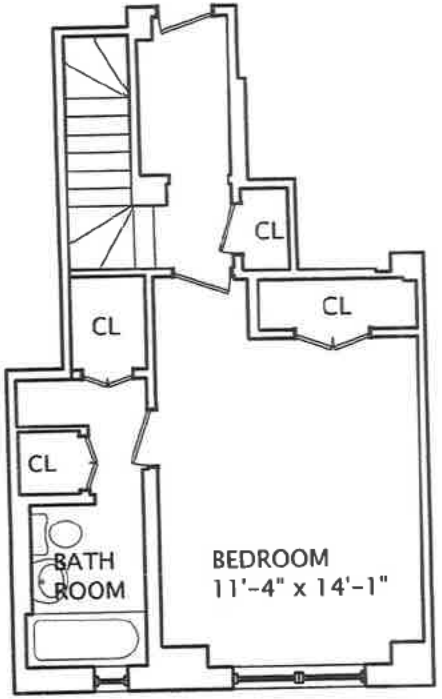


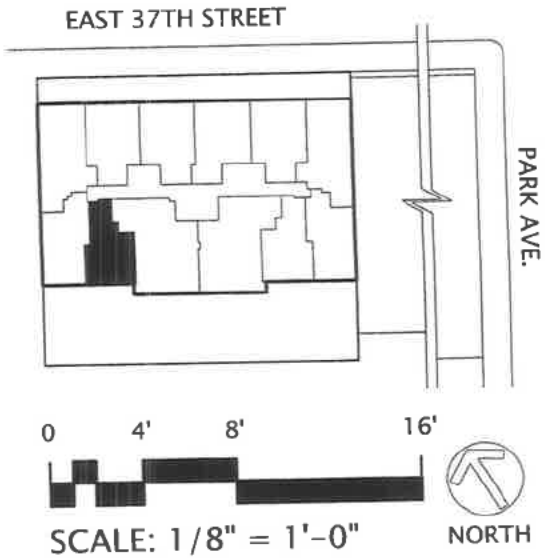
SCALE: 1/8" = 1'-0"

APARTMENT M5
921 S.F.
LOWER LEVEL: 523 S.F.

1 BEDROOM
1 BATHROOM
(1) HALF BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.



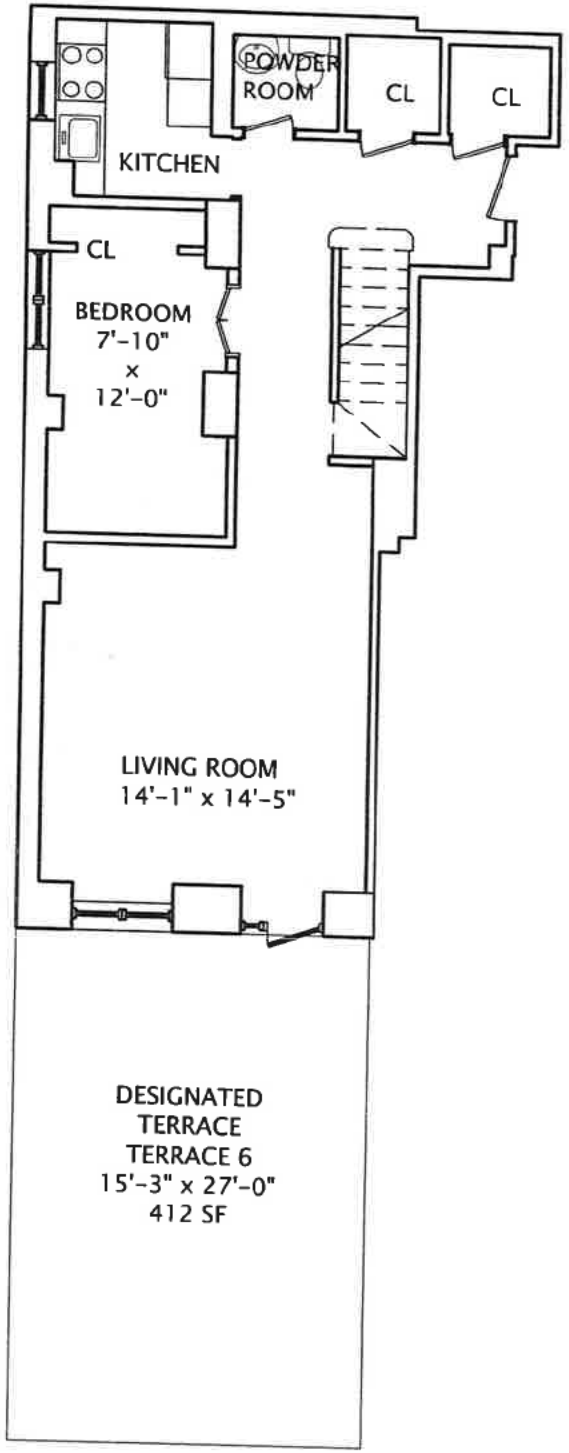


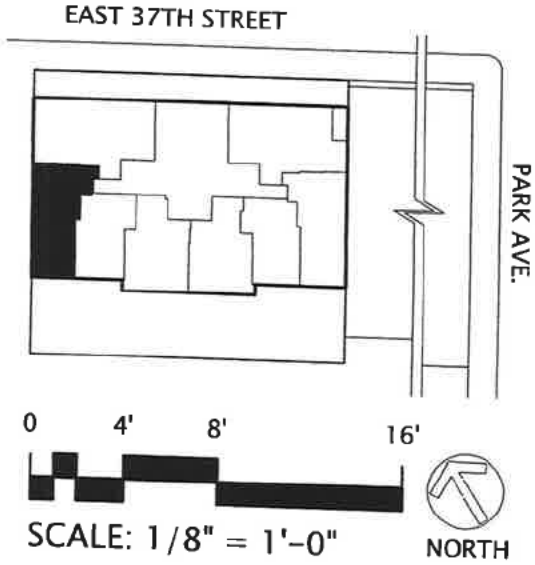
SCALE: 1/8" = 1'-0"

APARTMENT M5
921 S.F.
UPPER LEVEL: 398 S.F.

1 BEDROOM
1 BATHROOM
(1) HALF BATHROOM

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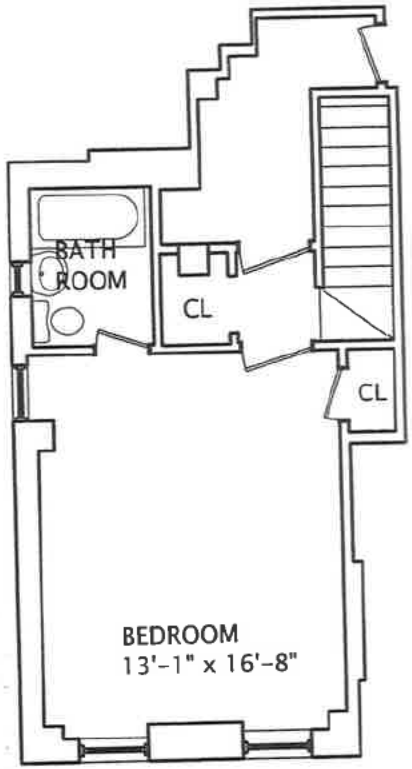


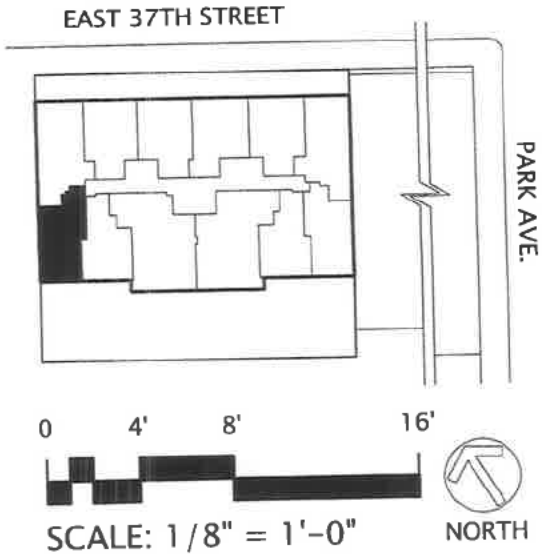


APARTMENT M6
1119 S.F.
LOWER LEVEL: 679 S.F.

2 BEDROOM
1 BATHROOM
(1) HALF BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.



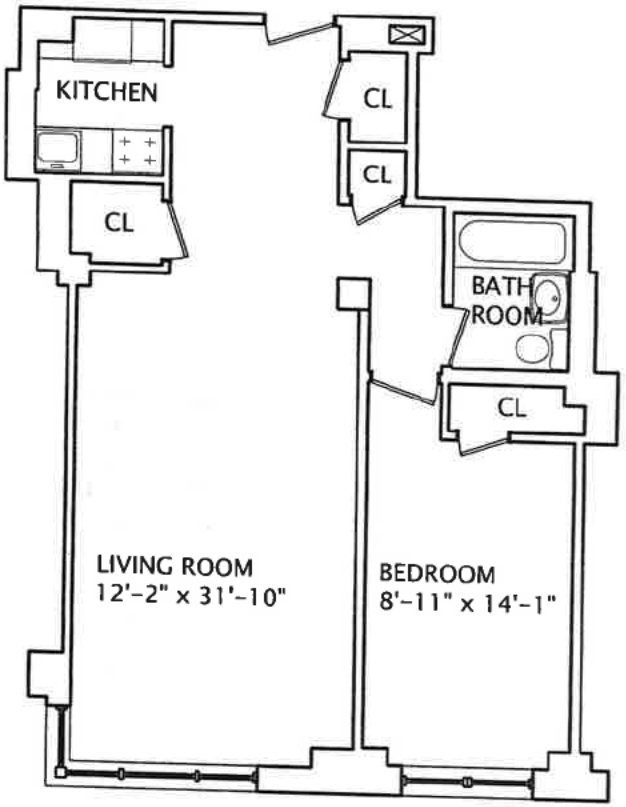


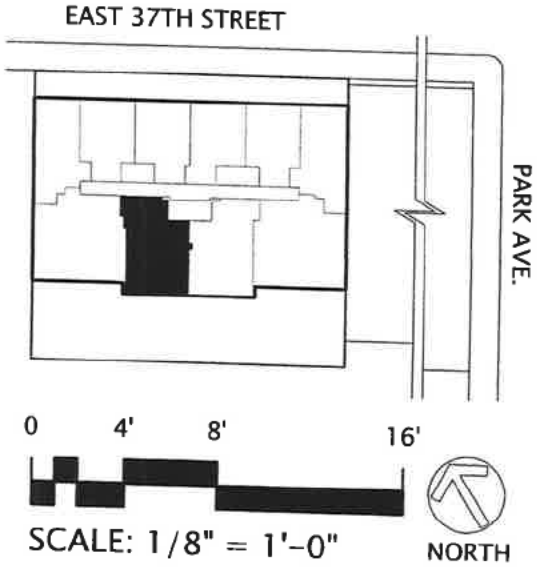
SCALE: 1/8" = 1'-0"

APARTMENT M6
1119 S.F.
UPPER LEVEL: 440 S.F.

2 BEDROOM
1 BATHROOM
(1) HALF BATHROOM

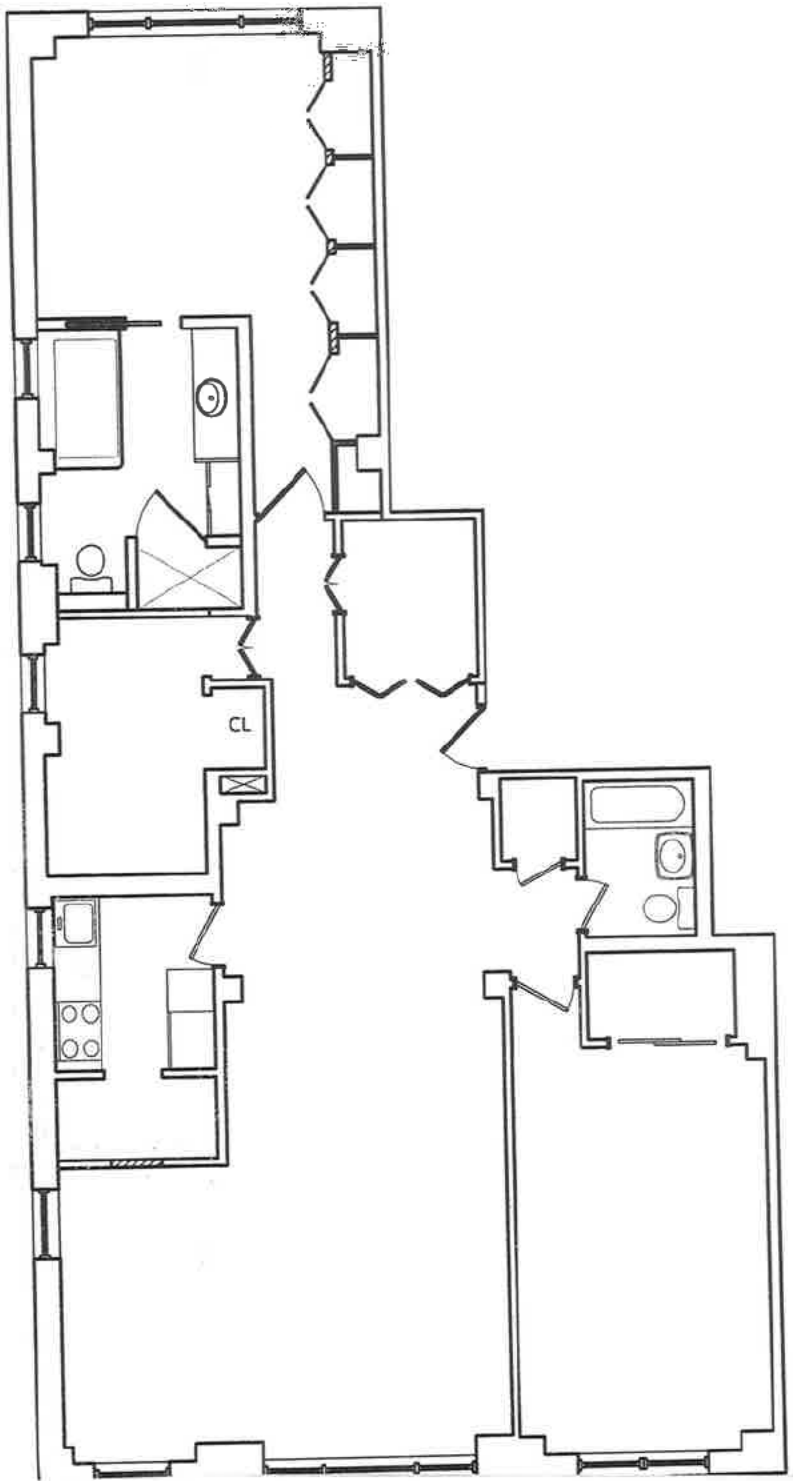
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.

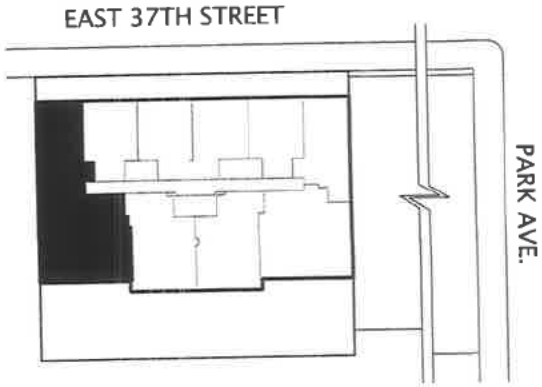




APARTMENT 3A, 4A, 5A, 6A, 7A, 8A, 9A, 10A
697 S.F.
1 BEDROOM
1 BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.





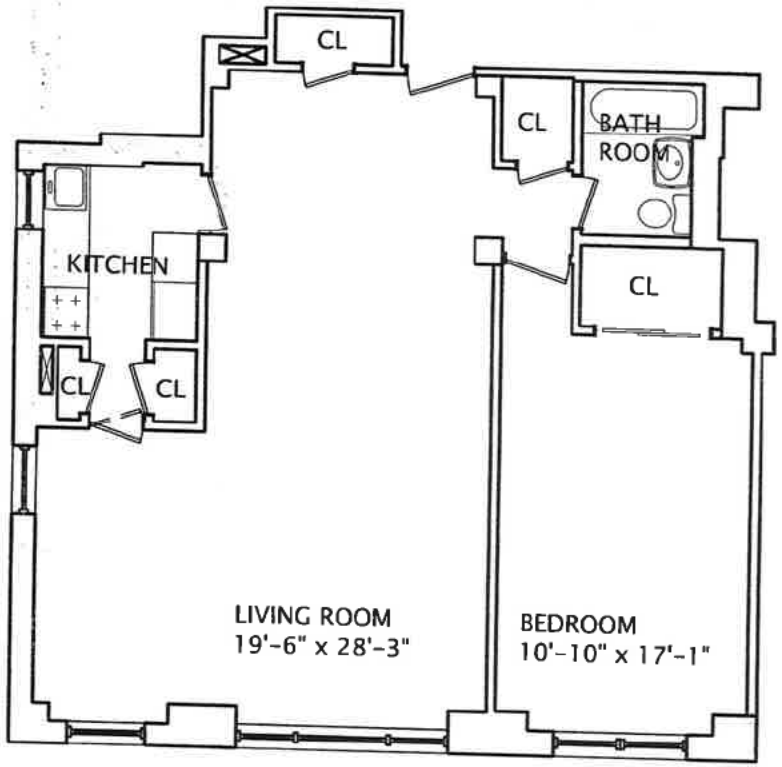
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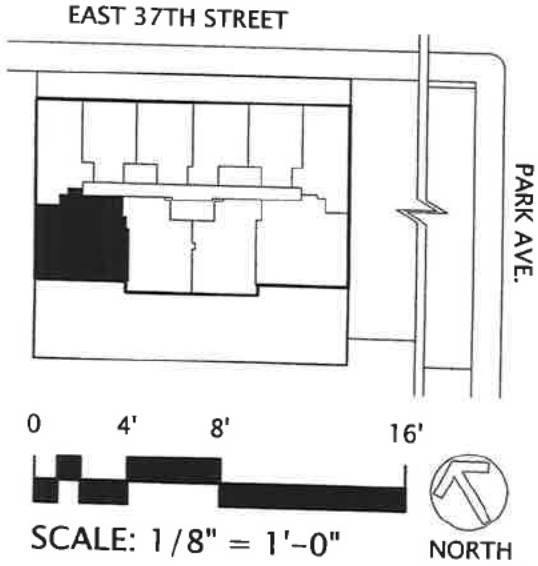
SCALE: 1/8" = 1'-0"

NORTH

APARTMENT 3B
1499 S.F.
2 BEDROOM
2 BATHROOM
1 DEN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.

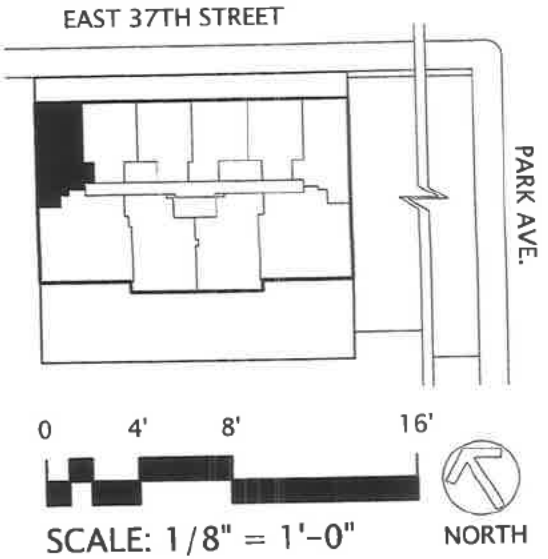




APARTMENT 4B, 5B, 6B, 7B, 8B, 9B, 10B
909 S.F.
1 BEDROOM
1 BATHROOM

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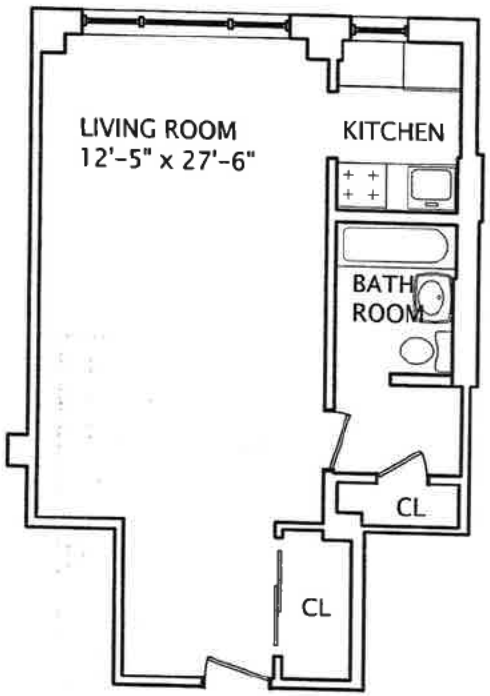


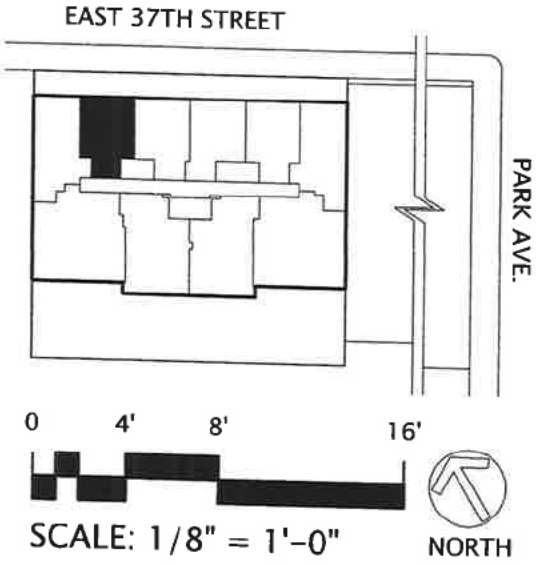


SCALE: 1/8" = 1'-0"

APARTMENT 2C, 4C, 5C, 6C, 7C, 8C, 9C, 10C
582 S.F.
0 BEDROOM
1 BATHROOM

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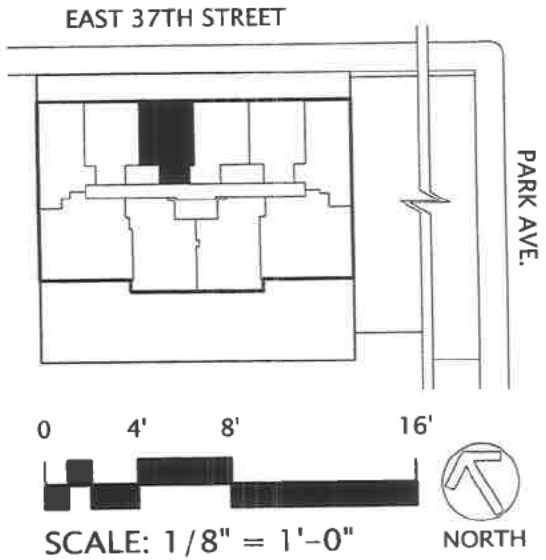


SCALE: 1/8" = 1'-0"

APARTMENT 2D, 3D, 4D, 5D, 6D, 7D, 8D, 9D, 10D
479 S.F.
0 BEDROOM
1 BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.

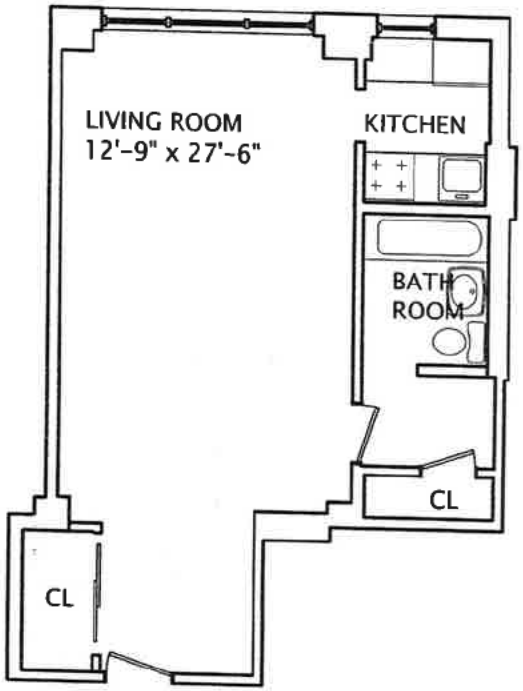


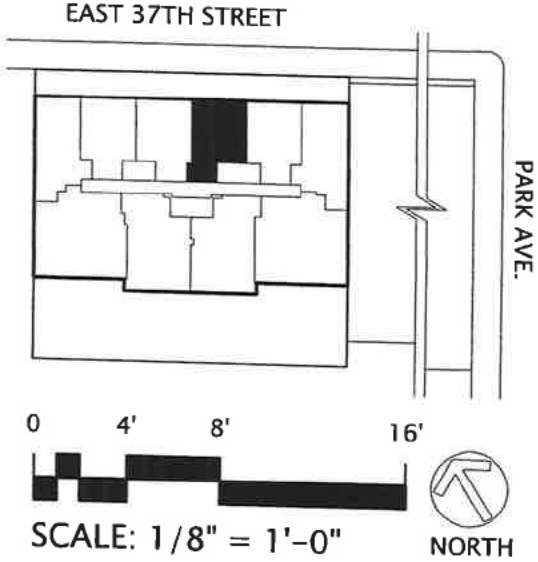


SCALE: 1/8" = 1'-0"

APARTMENT 2E, 3E, 4E, 5E, 6E, 7E, 8E, 9E, 10E
490 S.F.
0 BEDROOM
1 BATHROOM

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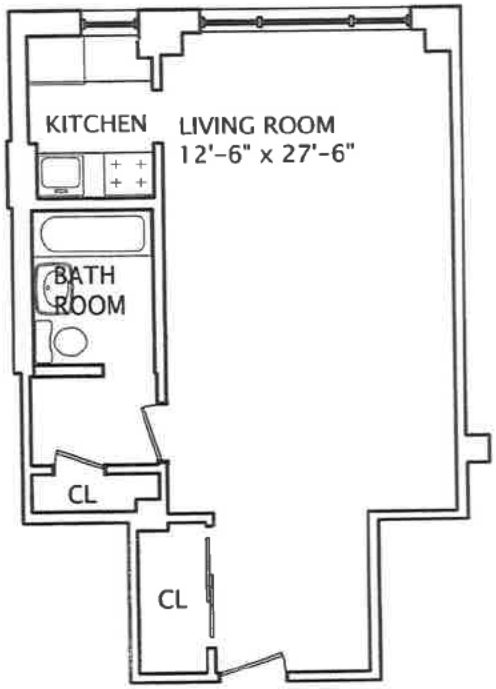


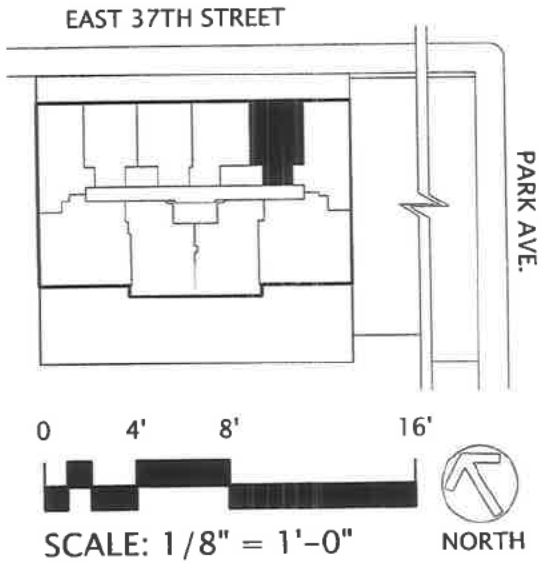


SCALE: 1/8" = 1'-0"

APARTMENT 2F, 3F, 4F, 5F, 6F, 7F, 8F, 9F, 10F
493 S.F.
0 BEDROOM
1 BATHROOM

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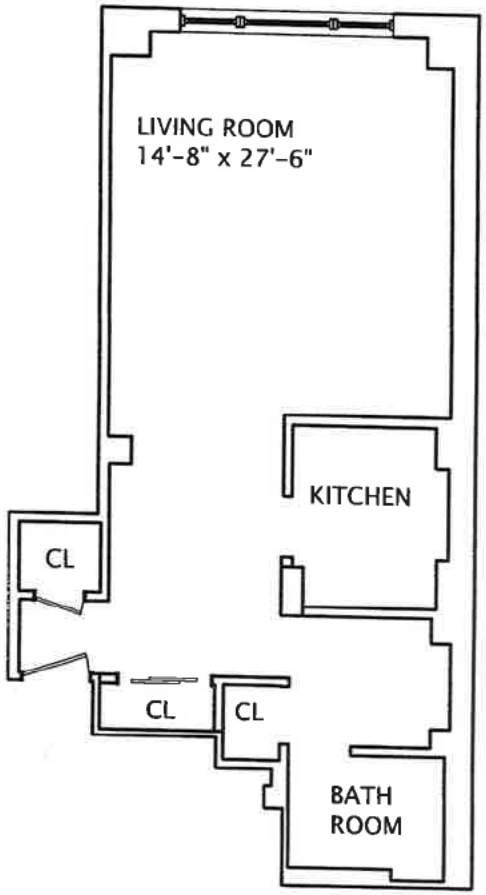


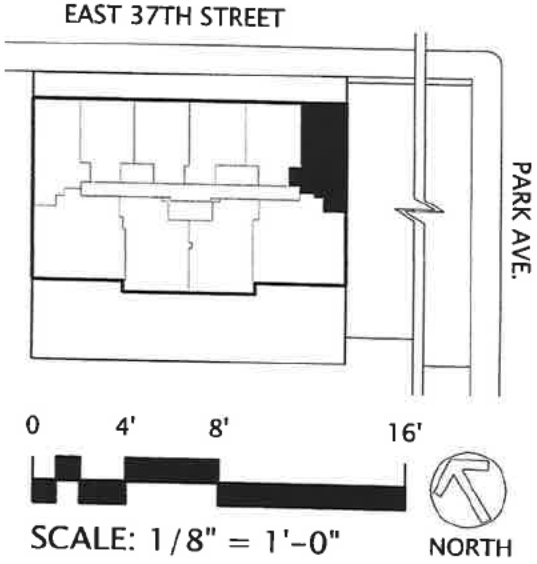


SCALE: 1/8" = 1'-0"

APARTMENT 2G, 3G, 4G, 5G, 6G, 7G, 8G, 9G, 10G
481 S.F.
0 BEDROOM
1 BATHROOM

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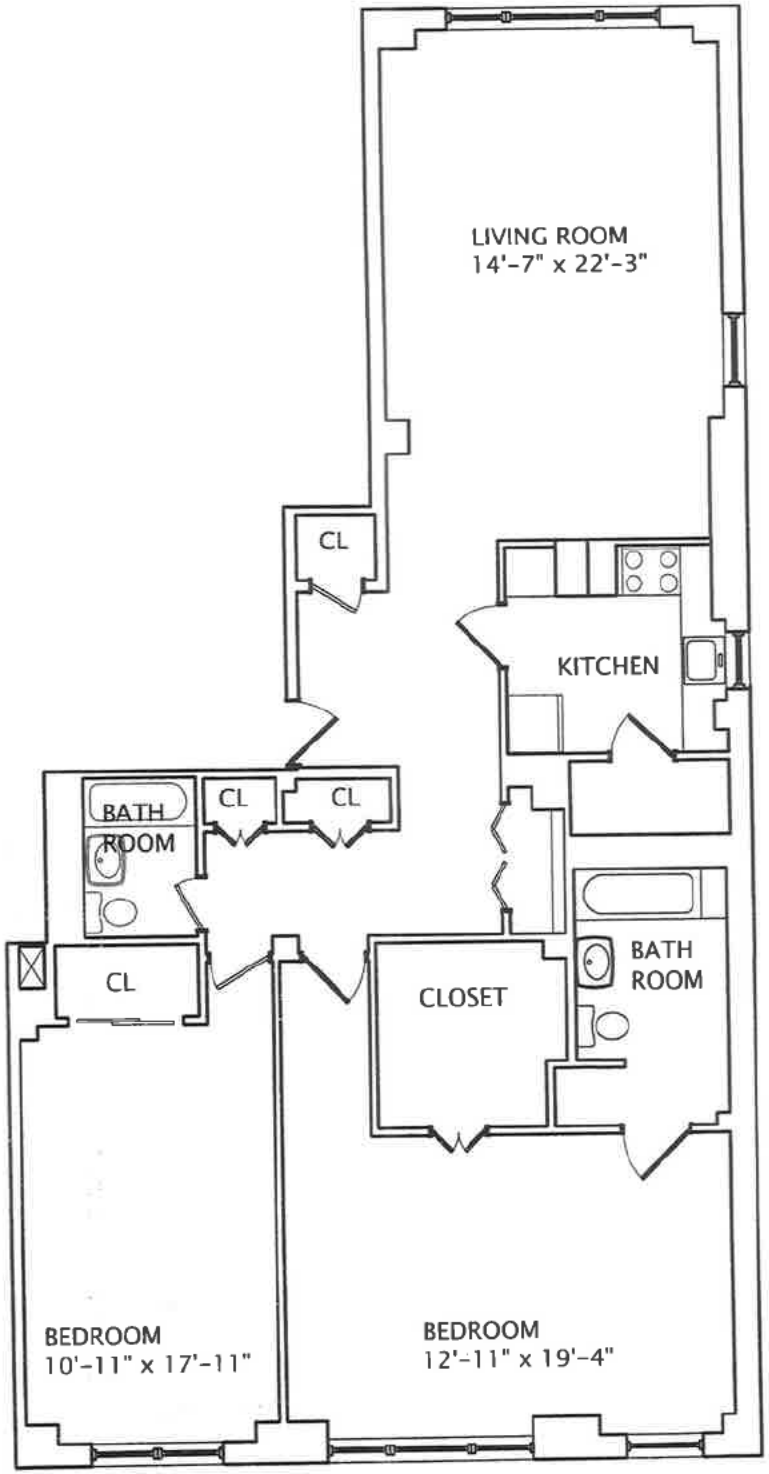


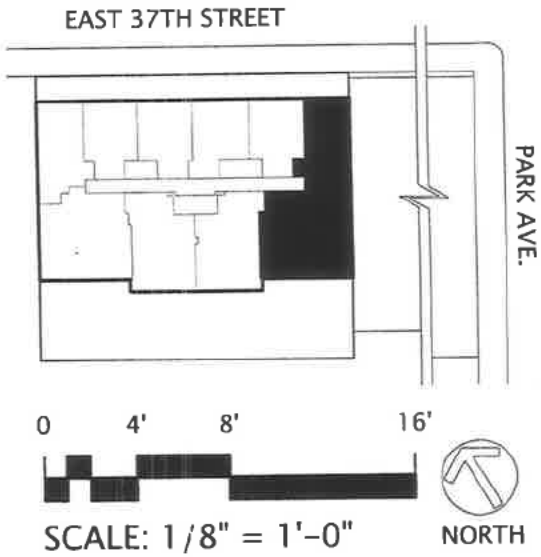


SCALE: 1/8" = 1'-0"

APARTMENT 2H, 3H,
580 S.F.
0 BEDROOM
1 BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.

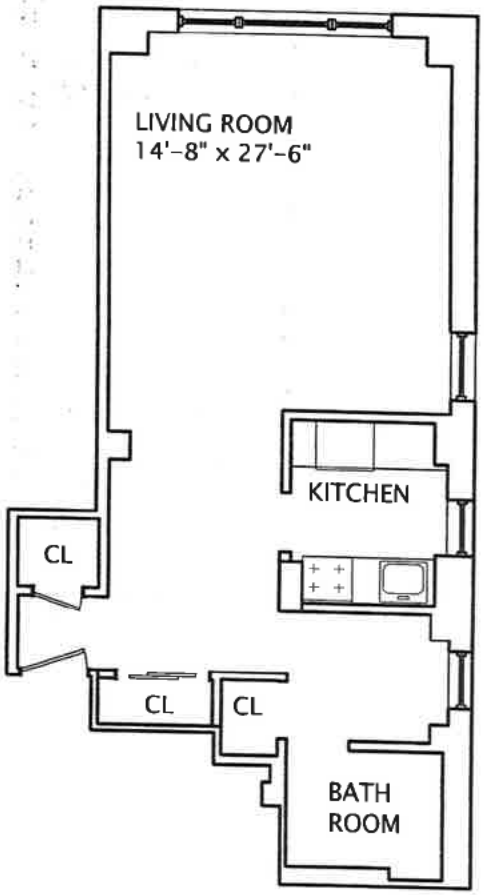


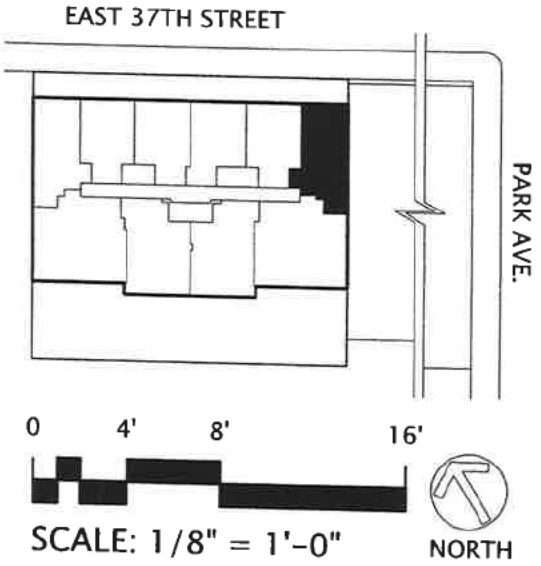


SCALE: 1/8" = 1'-0"

APARTMENT 4H
1497 S.F.
2 BEDROOMS
2 BATHROOMS

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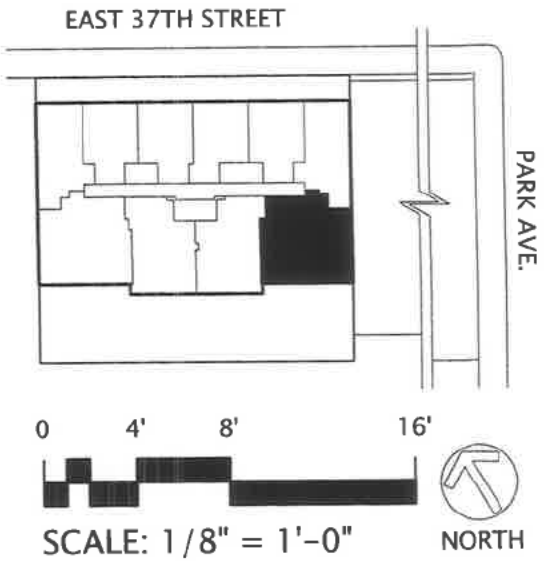


SCALE: 1/8" = 1'-0"

APARTMENT 5H, 6H, 7H, 8H, 9H, 10H
579 S.F.
0 BEDROOM
1 BATHROOM

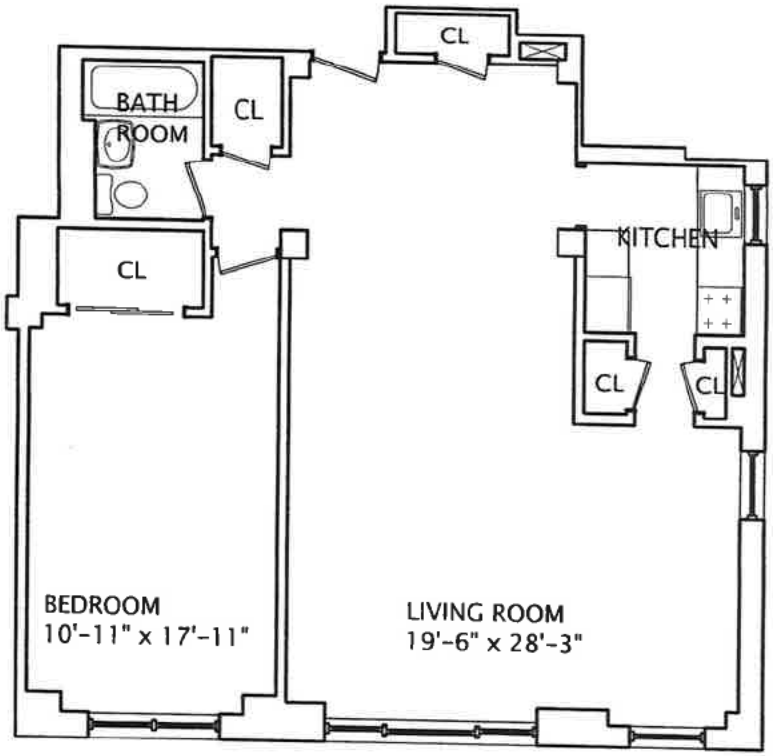
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.

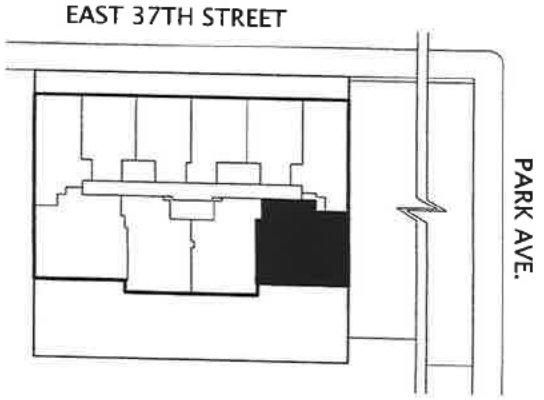




APARTMENT 3J
910 S.F.
1 BEDROOM
1 BATHROOM

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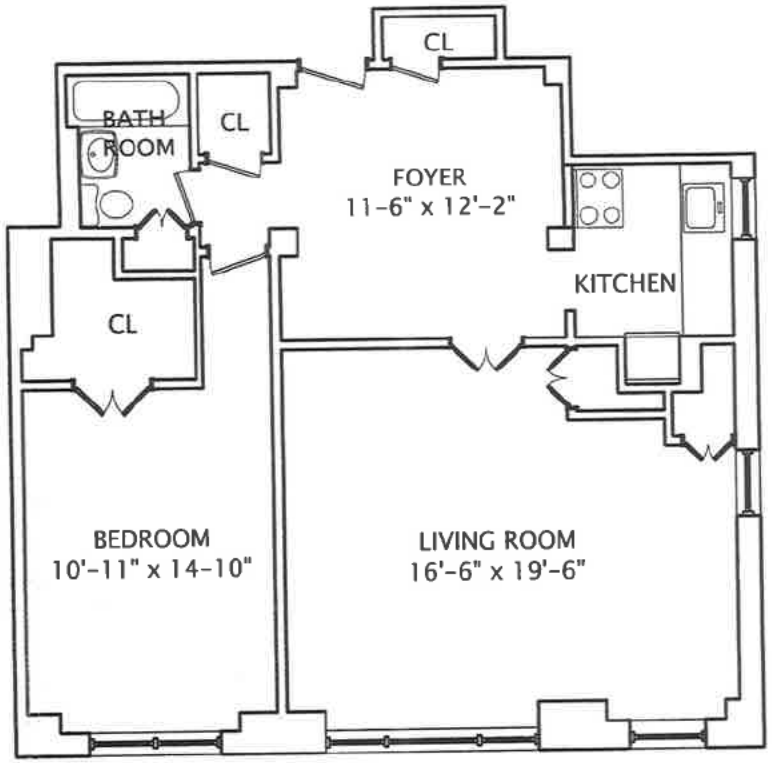


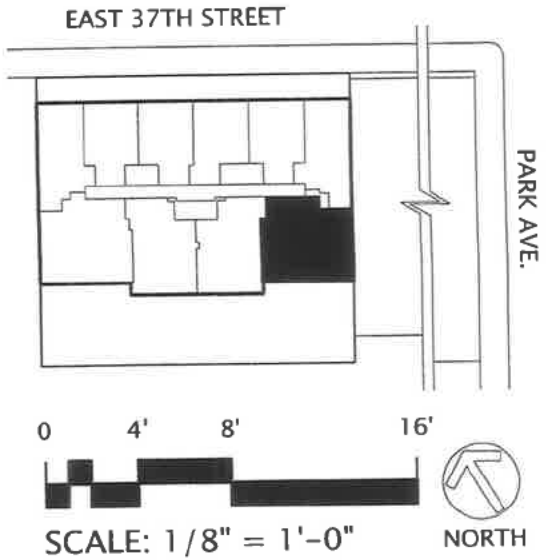
SCALE: 1/8" = 1'-0"

NORTH

APARTMENT 5J, 6J, 7J, 8J, 10J
910 S.F.
1 BEDROOM
1 BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.

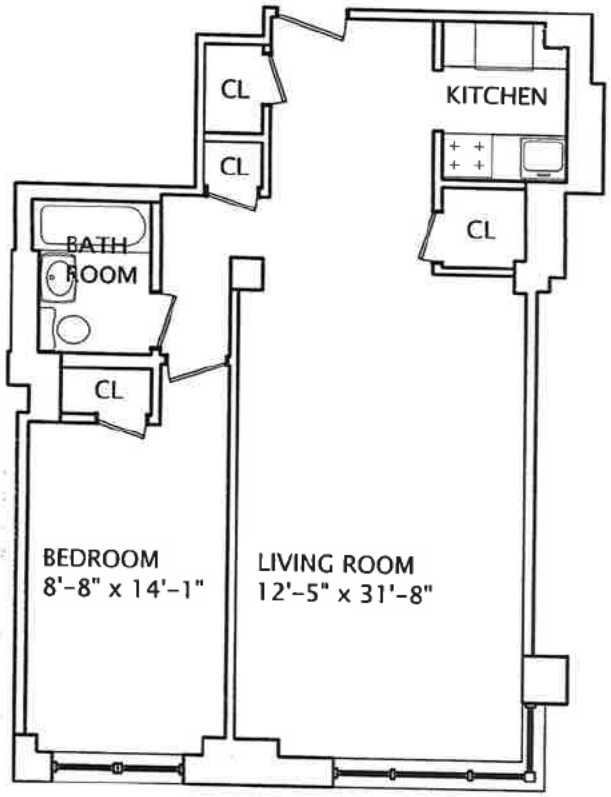


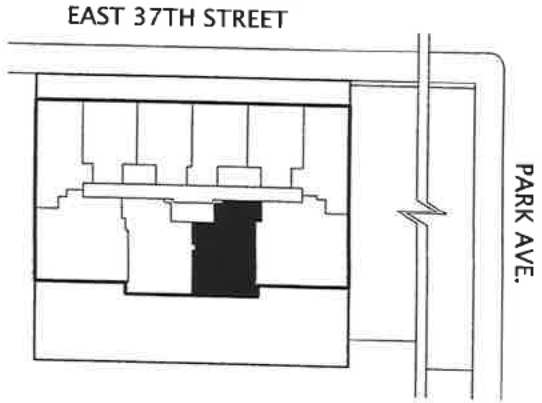


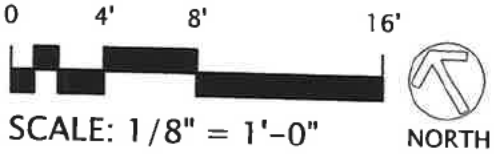
SCALE: 1/8" = 1'-0"

APARTMENT 9J
910 S.F.
1 BEDROOM
1 BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.





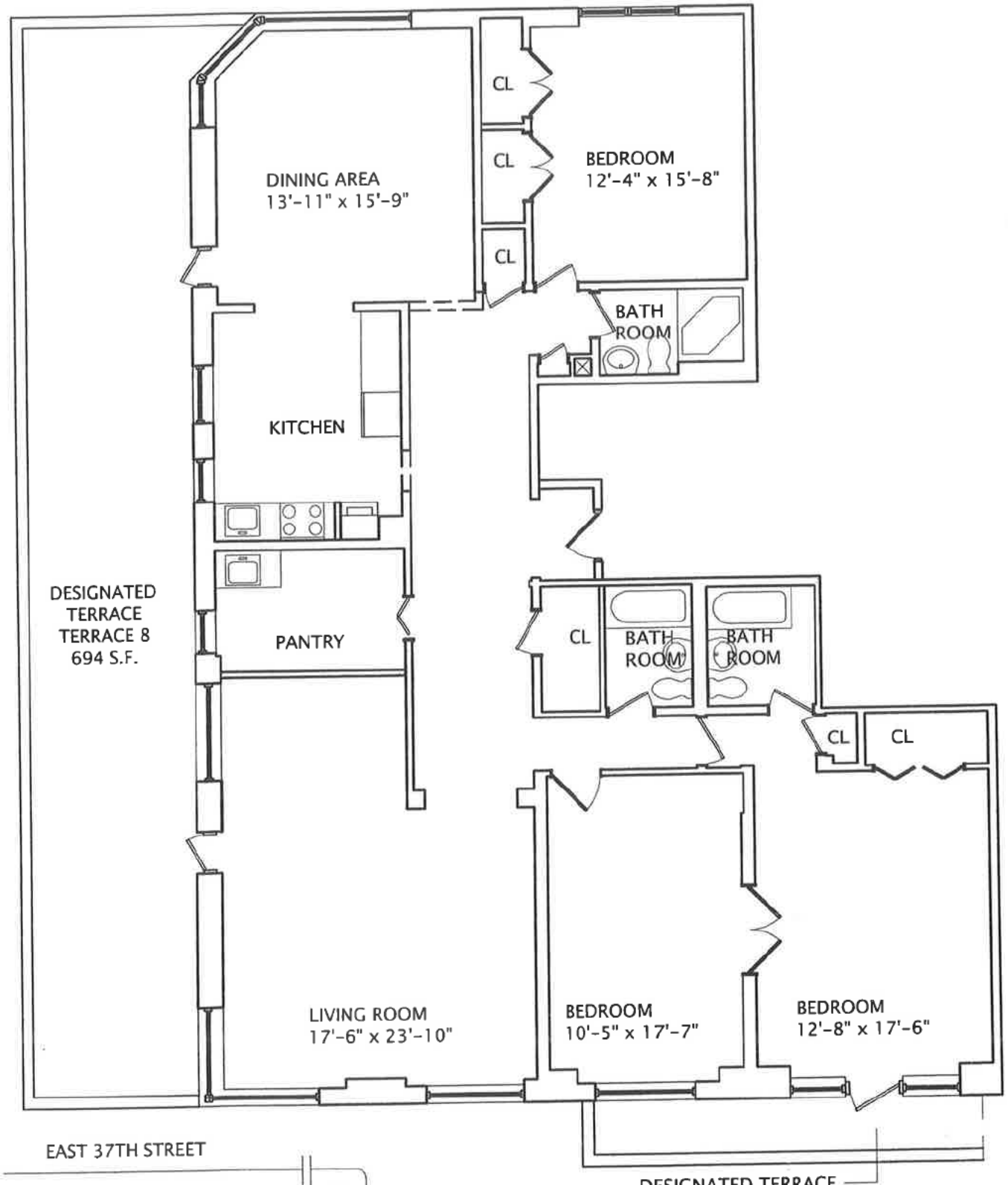


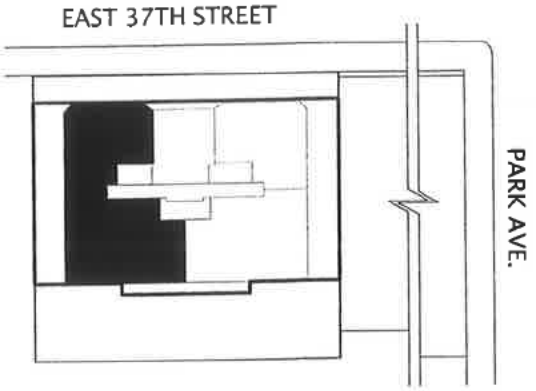
SCALE: 1/8" = 1'-0"

NORTH

APARTMENT 3K, 4K, 5K, 6K, 7K, 8K, 9K, 10K
683 S.F.
1 BEDROOM
1 BATHROOM

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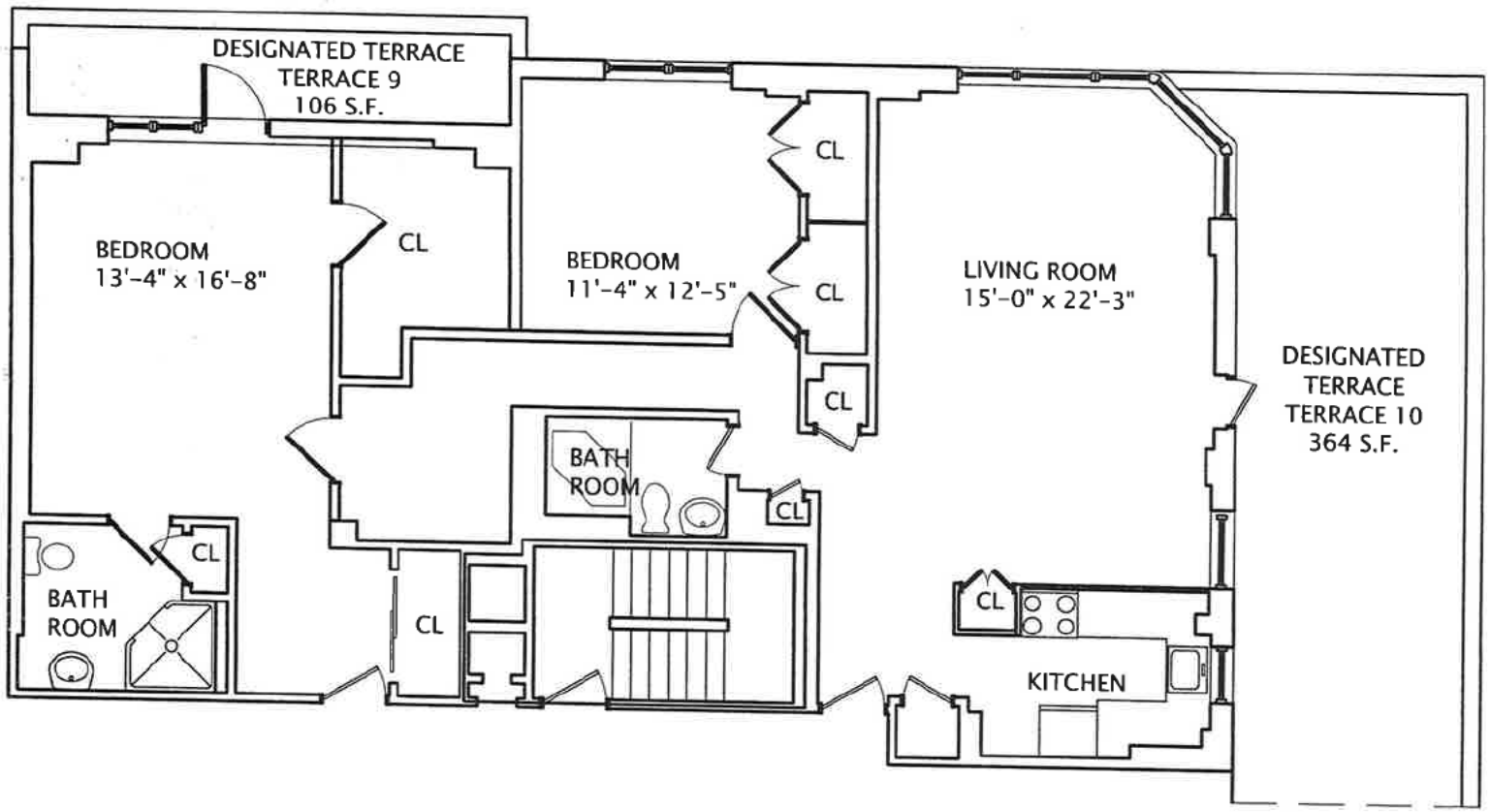
0 4' 8' 16'

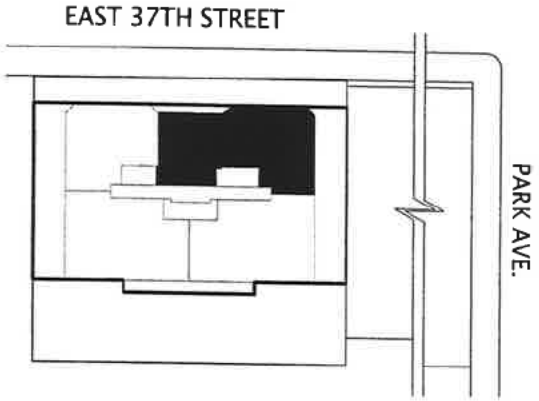
SCALE: 1/8" = 1'-0"

NORTH

APARTMENT 11A
2122 S.F.
3 BEDROOMS
3 BATHROOMS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.





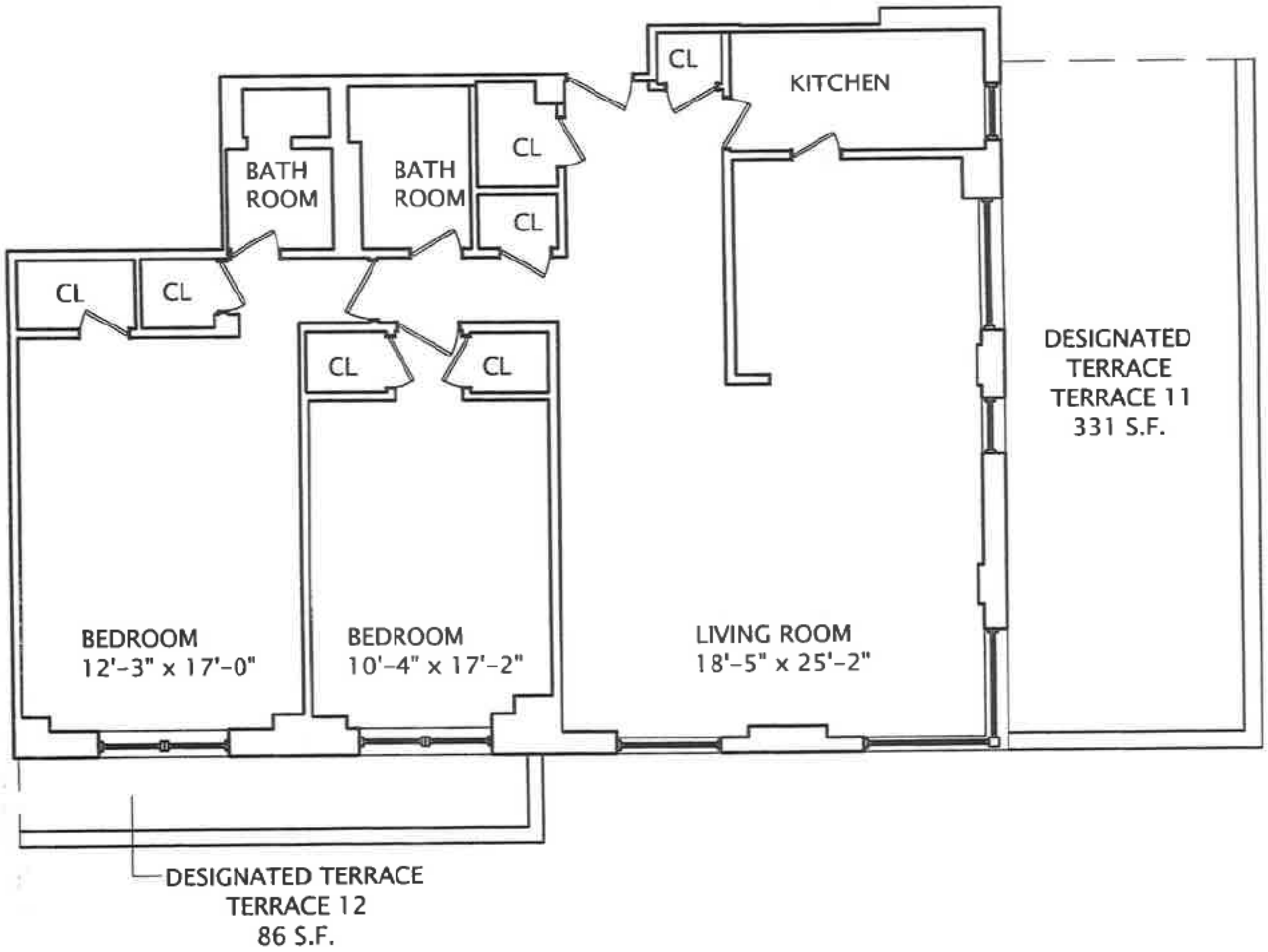
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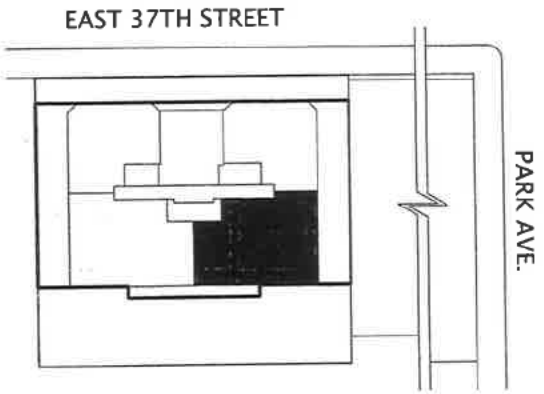
SCALE: 1/8" = 1'-0"

NORTH

APARTMENT 11C
1409 S.F.
2 BEDROOMS
2 BATHROOMS

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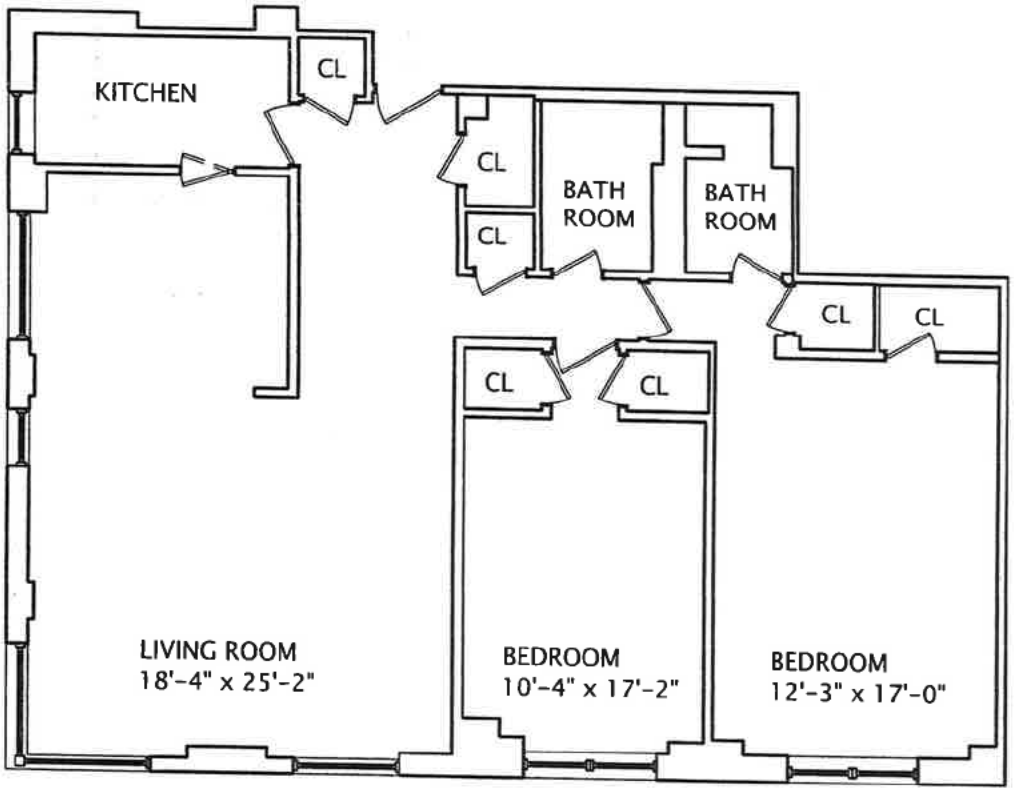
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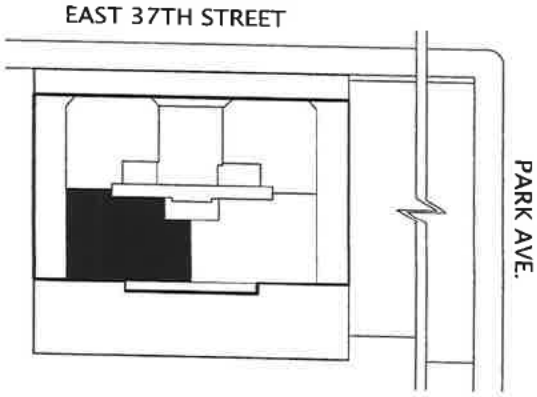
SCALE: 1/8" = 1'-0"

NORTH

APARTMENT 11E
1229 S.F.
2 BEDROOMS
2 BATHROOMS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.



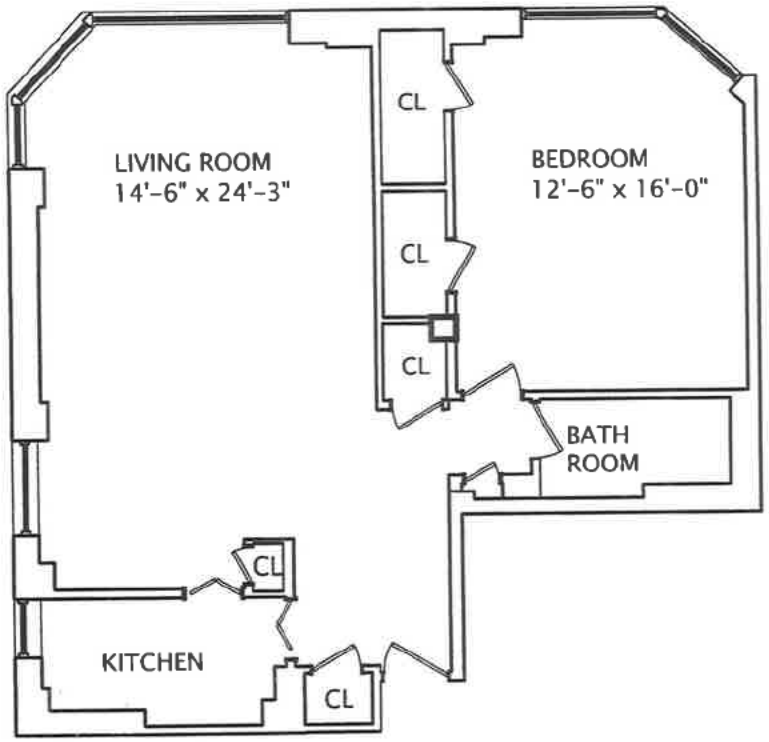


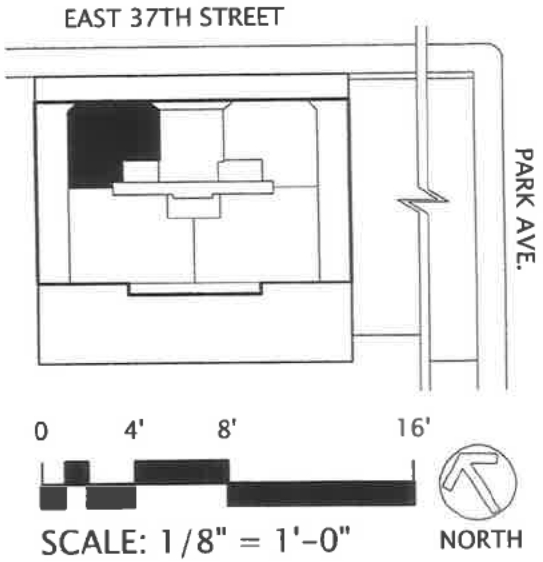
SCALE: 1/8" = 1'-0"

NORTH

APARTMENT 12A
1233 S.F.
2 BEDROOMS
2 BATHROOMS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.

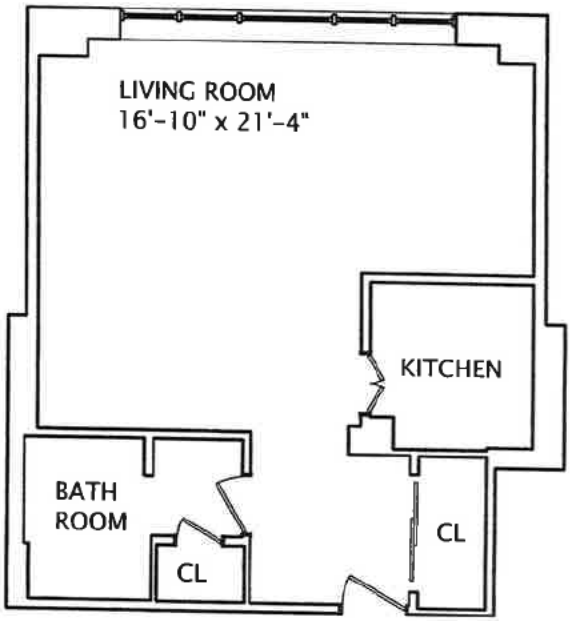


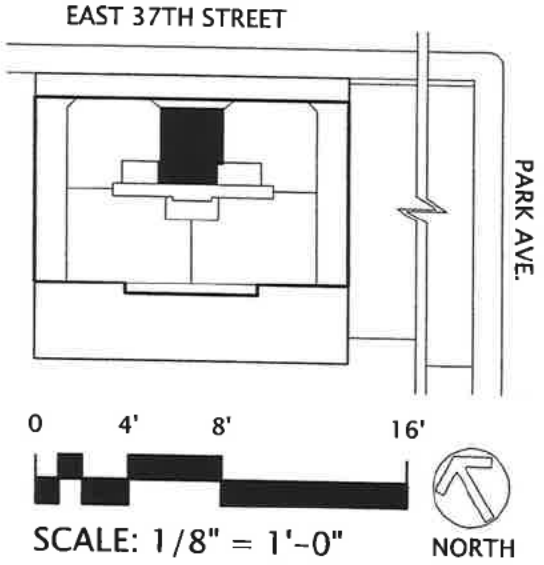


SCALE: 1/8" = 1'-0"

APARTMENT 12B
848 S.F.
1 BEDROOM
1 BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.

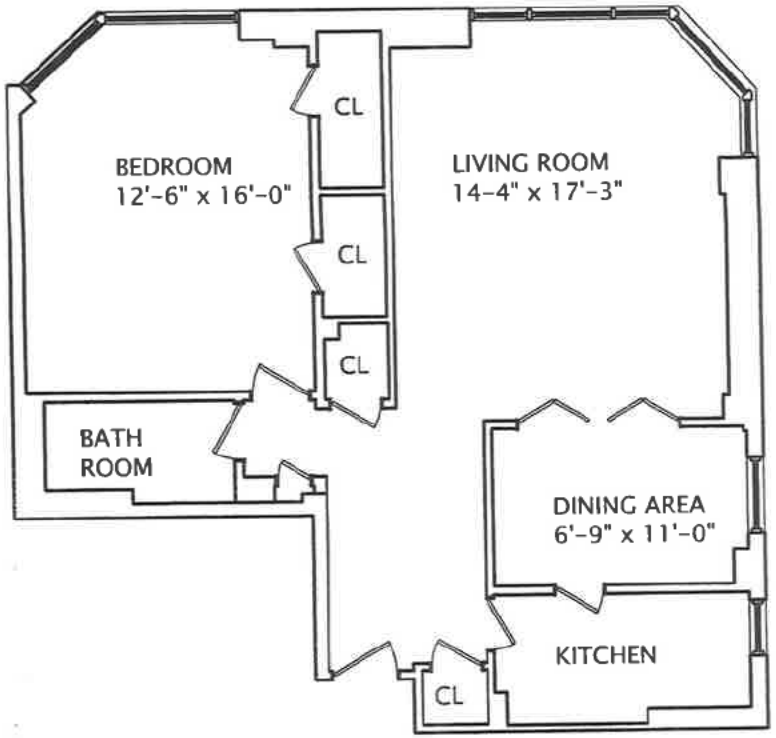


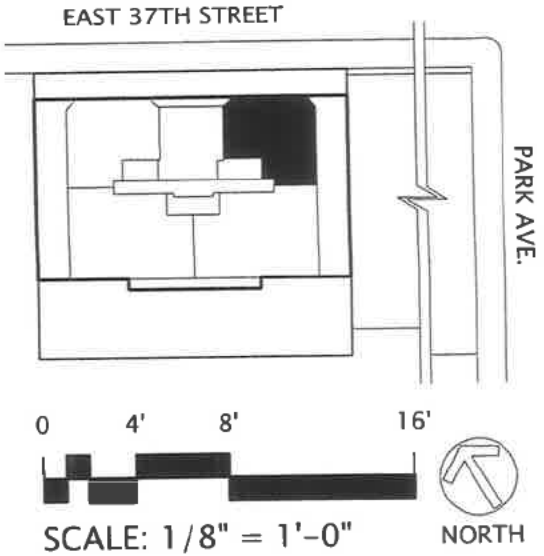


SCALE: 1/8" = 1'-0"

APARTMENT 12C
553 S.F.
0 BEDROOM
1 BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.

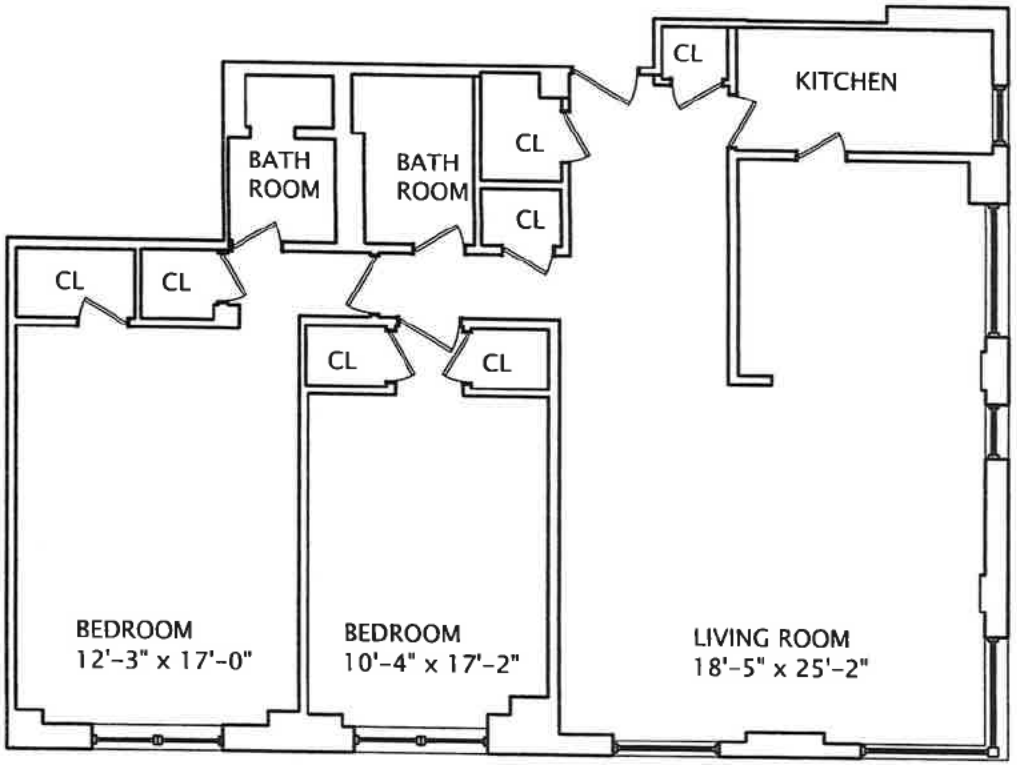


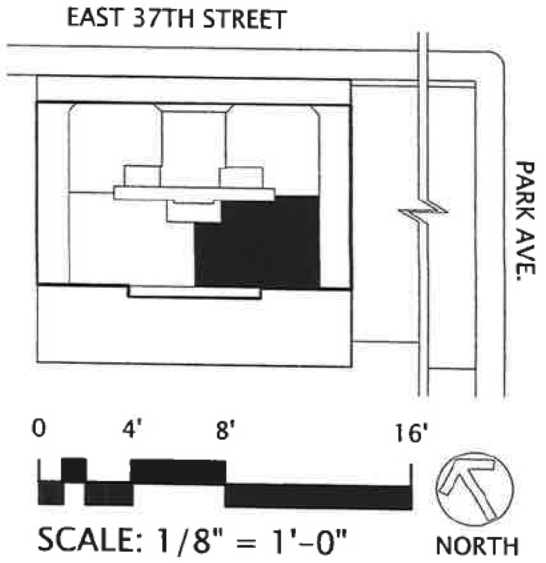


SCALE: 1/8" = 1'-0"

APARTMENT 12D
851 S.F.
1 BEDROOM
1 BATHROOM

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN.

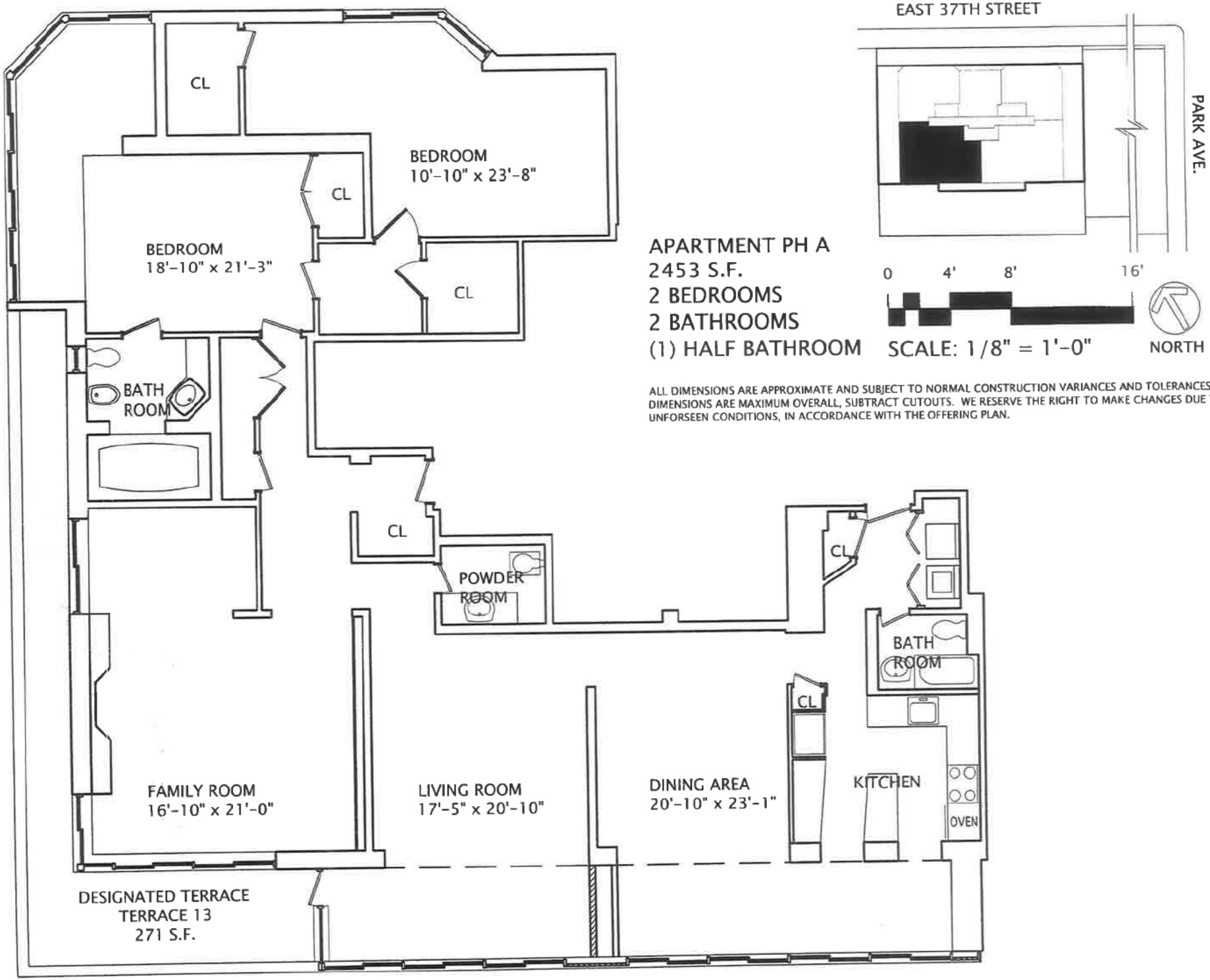




SCALE: 1/8" = 1'-0"

APARTMENT 12E
1229 S.F.
2 BEDROOMS
2 BATHROOMS

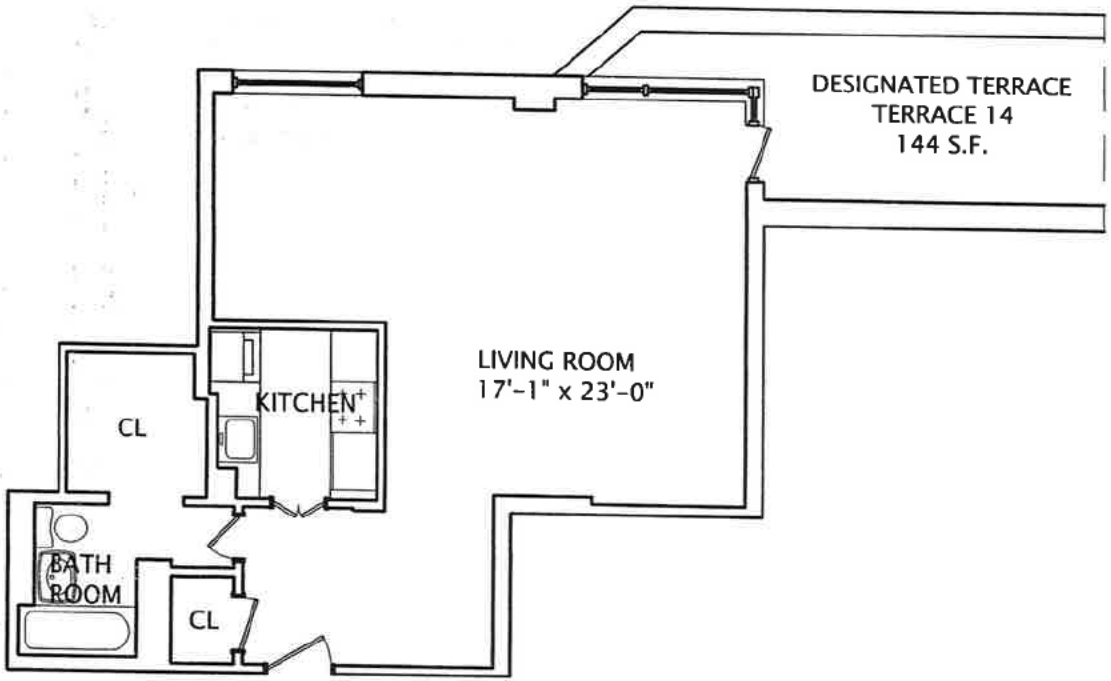
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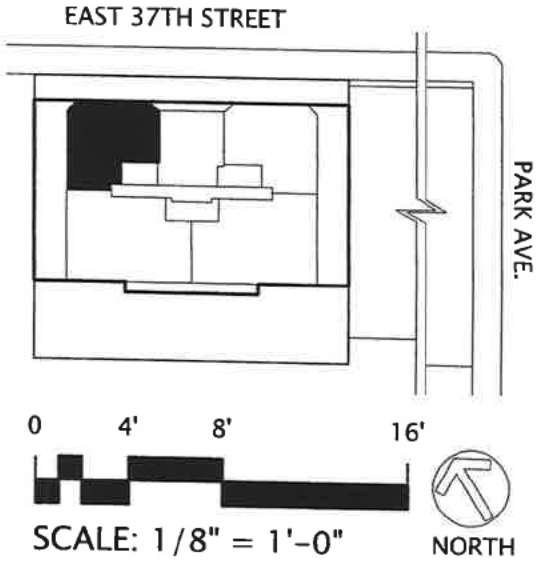


APARTMENT PH A
2453 S.F.
2 BEDROOMS
2 BATHROOMS
(1) HALF BATHROOM

SCALE: 1/8" = 1'-0"

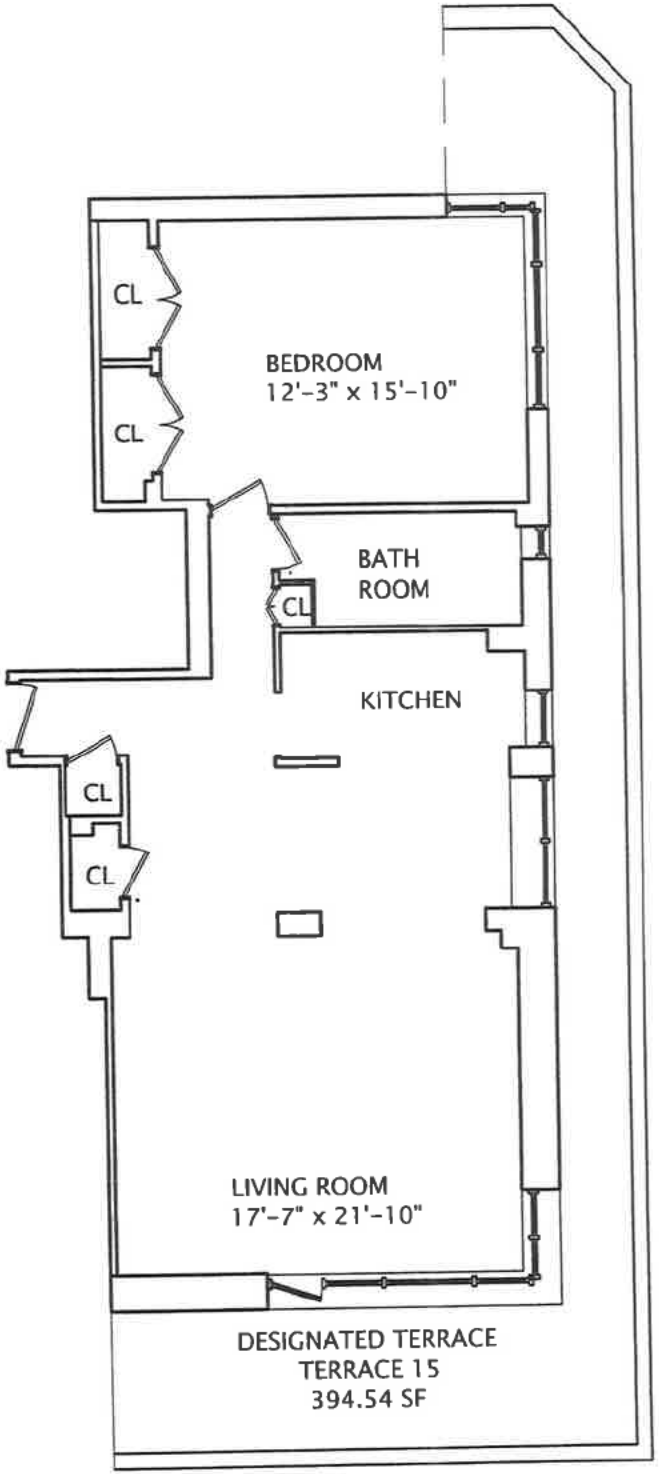
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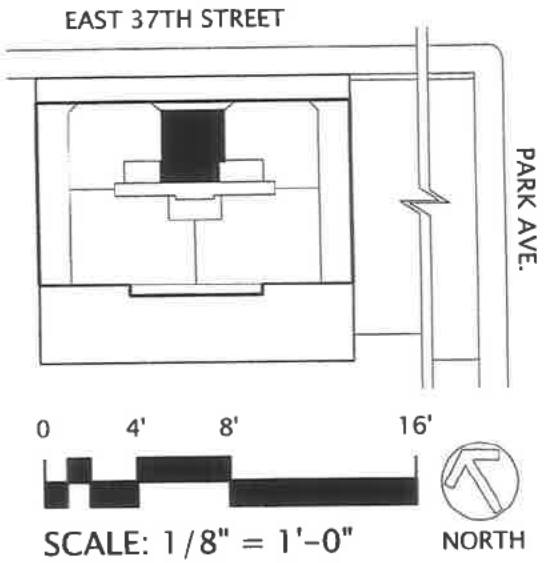




APARTMENT PH B
628 S.F.
0 BEDROOM
1 BATHROOM

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SCALE: 1/8" = 1'-0"

APARTMENT PH C
923 S.F.
1 BEDROOM
1 BATHROOM

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EXHIBIT G

FORM OF ESCROW AGREEMENT WITH RESPECT TO DOWNPAYMENT

ESCROW AGREEMENT

Agreement made this15th day of February, 2006 between HAMPTON ASSOCIATES LLC ("Holder"), the Holder of Unsold Shares and Goldberg, Weprin & Ustin, LLP ("Escrow Agent") as escrow agent.

WHEREAS, Hampton Associates LLC is the Holder of Unsold Units for the plan to convert to cooperative ownership the premises located at 30 East 37th Street, New York, New York (the "Plan"); and

WHEREAS, Goldberg, Weprin & Ustin, 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, Holder 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 Holder and Escrow Agent hereby establish an escrow account with Escrow Agent for the purpose of holding deposits or payments made by purchasers. The escrow account has been opened with Sterling National Bank at its branch located at 512 Seventh Avenue, New York, New York 11747. The account number for our master escrow account is [redacted] and a separate sub-account will be opened under such master escrow account with respect to each separate sale transaction.

1.2 The name of the account is Goldberg, Weprin & Ustin, LLP Attorney Trust Account.

1.3 The separate escrow sub-account for each sale transaction shall be an interest-bearing account as disclosed in the Plan.

1.4 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 purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to the order of the Escrow Agent. Any instrument payable other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the contract of sale, Escrow Agent shall notify the purchaser of the deposit of such funds in the bank indicated

in the Plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the purchaser.

3. RELEASE OF FUNDS.

3.1 Escrow Agent shall not release the escrowed funds of a defaulting purchaser until after consummation of the Plan as defined in the Attorney General's regulations. Consummation of the Plan shall not relieve Holder 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 (a) in writing signed by both Holder and purchaser or (b) in determination of the Attorney General or (c) in judgment or order of a court of competent jurisdiction or (d) until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 Holder shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the 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 Holder until Escrow Agent has given the purchaser written notice of no less than ten (10) business days. Thereafter, the funds may be paid to Holder 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 (7) years after release of the funds.

4.2 Upon the dissolution of a law firm which was Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 Escrow Agent shall make available to the Attorney General, upon request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 Escrow Agent shall maintain the accounts called for in this Agreement under the direct supervision and control of Escrow Agent.

5.2 A fiduciary relationship shall exist between Escrow Agent and purchasers, and Escrow Agent acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF HOLDER.

6.1 Holder agrees that Holder 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 Holder agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is cancelled, by either:

(a) Written notice given by Holder to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

(b) The resignation of Escrow Agent upon giving notice to Holder 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 (which amendment Holder agrees to file within thirty (30) days after such resignation); or

(c) 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 Holder and Escrow Agent and their respective 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 Holder agrees that Escrow Agent's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to Escrow Agent, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance

is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT: GOLDBERG, WEPRIN & USTIN, LLP

By: /s/ Goldberg Weprin & Ustin LLP

HOLDER OF
UNSOLD SHARES: HAMPTON ASSOCIATES LLC

By: /s/ Robert J. Goldfein
Robert J. Goldfein,
Managing Member

EXHIBIT H

FORM OF APPLICATION TO ATTORNEY GENERAL FOR RESOLUTION OF DISPUTE CONCERNING DOWNPAYMENT

EXHIBIT H

ETF-1

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.]

Address of Building or
Name of Project:

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant _____

2. Address of Applicant _____

3. Name, Address, and Telephone Number of Applicant's Attorney (if any) _____
   _____
   _____

4. This is an application for

   [ ] return of downpayment.
   [ ] forfeiture of downpayment.
   [ ] other: _____
   _____

5. The project is [ ] a conversion of occupied premises.
   [ ] newly constructed or rehabilitated.
   [ ] vacant (as is).

6. The project is structured as [ ] a cooperative.

[ ] a condominium.
[ ] a homeowners association.
[ ] a timeshare.
[ ] other: _____

7. Name and Address
of Sponsor: _____
_____

8. Name and Address
of Escrow Agent: _____
_____

9. If downpayments are maintained in an escrow account:

(a) Name of account _____

(b) Name and address of bank _____

(c) Account number (if known) _____

(d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:

(a) Name and address of
bond issuer or surety: _____
_____

(b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND.) If not included, explain:

_____
_____
_____
_____
_____

11. If downpayments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: _____
_____

(b) Date of expiration of the letter of credit, if known:
_____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan

[ ] has been declared effective. Approximate date:
[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed.
Approximate date: _____

[ ] has not closed.

[ ] don't know.

(d) Downpayments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed:
_____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____
_____
_____

15. I am contemporaneously sending a copy of this application to the following persons:

_____
_____
_____

Note: You are required to mail a-copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: Date:

Name (Printed):

Telephone: (Home) (Business)

Mailing Address:

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

On this ___ day of _____ in the year 200_, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individuals, or the persons upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT I

DECLARATION OF CONDOMINIUM

EXHIBIT I

DECLARATION

Establishing a Plan for Condominium Ownership of the Premises 30 East 37th Street, New York, New York Pursuant to Article 9-B of the Real Property Law of the State of New York

Name: **30 EAST 37TH STREET CONDOMINIUM**

Declarant: **Hampton Associates LLC**
c/o Goldfein Properties Co.
60 East 42nd Street
Suite 2015
New York, New York 10165

Date of Declaration: **_____, 200__**

The land affected by the within instrument lies in Section 3, Block 866, Lot 48, on the Tax Map of the Borough of Manhattan County of New York now known as lots ___ through ___.

Goldberg Weprin & Ustin LLP
Attorneys for Declarant
1501 Broadway, Suite 2200
New York, NY 10036

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EXHIBIT I

DECLARATION

OF

30 EAST 37TH STREET CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

Hampton Associates LLC, a New York limited liability company having an office in care of Goldfein Properties Co., 60 East 42nd Street, Suite 2015, New York, New York, 10165 ("Sponsor"), does hereby declare as follows:

ARTICLE 1

SUBMISSION OF THE PROPERTY

1.1 Sponsor hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act") and pursuant thereto does hereby establish a condominium to be known as 30 East 37th Street Condominium (the "Condominium").

1.2 Attached to this Declaration and made a part hereof are the By-Laws of the 30 East 37th Street Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said By-Laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall have the meanings given to those terms in the By-Laws.

ARTICLE 2

THE LAND

Included in the Property described in Article 1 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the County of New York and State of New York, and more particularly described in Schedule A annexed hereto and made a part hereof. The Land has an area of approximately 10,665 square feet.

ARTICLE 3

THE PROPERTY AND THE BUILDING

Included in the Property is a building (the "Building") having a basement, eleven (11) stories, a penthouse level and a cellar that is below grade level. The Building contains:

(a) Two (2) professional units (the "Professional Units") located on the basement floor and in the cellar;

(b) One Hundred and One (101) residential units (collectively, the "Residential Units" and individually a "Residential Unit"), located on floors basement through 12 and the penthouse level;

(c) One (1) Roof-Top Unit (the "Roof-Top Unit");

(d) One (1) Cellar Unit located in the Cellar of the Building (the "Cellar Unit");

(e) the Limited Common Elements; and

(f) the Common Elements (as defined in Article 6), other than the Land.

The Residential Units, the Professional Units, the Cellar Unit and the Roof-Top Unit are sometimes collectively referred to as the "Units" and individually as a "Unit". The Professional Units, the Cellar Unit and the Roof-Top Unit are sometimes collectively referred to as the "Commercial Units". The owner of a Residential Unit is herein called a "Residential Unit Owner" and the owners of all Residential Units are herein collectively called the "Residential Unit Owners". The owner of a Professional Unit is herein called the "Professional Unit Owner". The owner of the Cellar Unit is referred to as the "Cellar Unit Owner". The owner of the Roof-Top Unit is referred to as the "Roof Top Unit Owner". The Residential Unit Owners, the Professional Unit Owner, the Cellar Unit Owner and the Roof-Top Unit Owner are collectively referred to herein as the "Unit Owners" and individually as a "Unit Owner". The Professional Unit Owner(s) and the Cellar Unit

Owner, and the Roof-Top Unit Owner are sometimes collectively referred to herein as the "Commercial Unit Owners").

The Commercial Unit Owners will be subject to all of the rights, obligations and restrictions of the Residential Unit Owners provided or imposed in this Declaration, except for any of such rights, obligations and restrictions with respect to use and access which are not applicable to the Commercial Unit Owners as set forth in this Declaration.

ARTICLE 4

THE UNITS

Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; location; approximate square foot area; number of rooms; the portions of the Common Elements (as hereinafter defined) to which the Unit has immediate access designated as Limited Common Element, and the percentage interest in the Common Elements appurtenant to such Unit. The location of each Unit is also shown on the floor plans of the Building (the "Floor Plans") certified by Howard Spivak, architect, intended to be filed in the New York County office of the Register of the City of New York (the "City Register's Office") simultaneously with the recording of this Declaration.

ARTICLE 5

DIMENSIONS OF UNITS

5.1 Each Unit is measured horizontally from the exterior sides of its windows or exterior walls at the midpoint of the Unit's demising walls and vertically from the top of the concrete floor to the underside of the ceiling. Unit dimensions listed on Schedule B are approximate and include allocable portions of the elevators, hallways and entrances reserved for the exclusive or shared use of the Unit Owners. Unit dimensions set forth on Schedule B do not include the area of any Terrace appurtenant to any Unit.

5.2 Any Common Elements located within any Unit shall not be considered as part of that Unit.

5.3 Each Residential Unit includes, and each Residential Unit Owner shall be responsible for all plumbing, gas, heating fixtures, air-conditioning equipment, refrigerators, ranges, air-conditioners and other appliances, as may be affixed, attached or appurtenant to such Unit. Plumbing, gas, heating fixtures and air-conditioning equipment as used in the preceding sentence shall include exposed gas, steam and water pipes attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, steam, water or other pipes, conduits, wiring or duct work within the walls, ceiling or floors which service

other portions of the Building. Each Residential Unit shall also include all lighting and electrical fixtures and appliances within the Unit and any special equipment, fixtures or facilities affixed, attached or appurtenant to the Unit to the extent located within a Unit serving or benefitting only that Unit.

5.4 The Commercial Units include the following:

5.4.1. The Professional Units includes, and the Professional Unit Owners shall be responsible for all plumbing, gas, heating fixtures, air-conditioning equipment, refrigerators, ranges, air-conditioners and other appliances, as may be affixed, attached or appurtenant to the Professional Unit. Plumbing, gas, heating fixtures and air-conditioning equipment as used in the preceding sentence shall include all gas, steam and water pipes which are dedicated to serve the Professional Unit and any special pipes or equipment which a Professional Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, steam, water or other pipes, conduits, wiring or duct work within the walls, ceiling or floors which service other portions of the Building. The Professional Units shall also include all lighting and electrical fixtures and appliances within the Unit and any special equipment, fixtures or facilities affixed, attached or appurtenant to the Unit to the extent located within a Unit serving or benefitting only the Professional Unit.

5.4.2. The Roof-Top Unit includes approximately 118 square feet of the roof and the air space directly above such roof space.

5.4.3. The Cellar Unit includes approximately 389 square feet of the cellar which has been demarcated by a fence.

ARTICLE 6

COMMON ELEMENTS

6.1 The Common Elements of the Condominium (the "Common Elements") consist of the entire Property including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all facilities therein for the common use of the Units and the Unit Owners (except for those Common Elements which are designated for the exclusive use of either the Residential Unit Owners or the Commercial Unit Owners) or which are necessary or convenient for the existence, maintenance or safety of the Property.

6.2 the Common Elements consist of all portions of the Property, except the Residential and Commercial Units themselves, including, without limitation, the following:

6.2.1 the Land (as more particularly described in Schedule A attached hereto), together with all easements, rights and privileges appurtenant thereto;

6.2.2 all foundations, columns, girders, beams, supports, pile caps, and their enclosures;

6.2.3 all exterior walls of the Building, not including the portions thereof on the Unit side of the brick work or masonry of such walls; windows and window frames; all walls and partitions separating Units from corridors, elevator shafts, stairs, and other mechanical equipment spaces, other than the portions thereof between the Unit side of such walls and partitions and the brick work, sheetrock or masonry of such walls and partitions separating Units; the portions of the plaster or equivalent partitions separating Units between the Unit side of the plaster or its equivalent on each side of such partition, and all concrete floors and concrete ceilings;

6.2.4 all stairs, stairways and fire stairs located throughout the Building either within or without;

6.2.5 the entrance lobby, elevator lobby and the mail-box area located on the first floor;

6.2.6 all passages, including the fire passage, halls and corridors located on the first floor of the Building;

6.2.7 all passages, halls and corridors located on floors two through twelve of the Building;

6.2.8 all elevators, elevator shafts and pits;

6.2.9 all space devoted to the use of a superintendent or other person(s) employed in connection with the operation of the Property;

6.2.10 all central and appurtenant installations for services such as power, light, security system, telephone, television, cable, gas, cold water, heat and air-conditioning and including all pipes, ducts, chutes, wires, cables, and conduits and their enclosures used in connection therewith, whether located in common areas or in Units;

6.2.11 all mechanical equipment and mechanical equipment space including, but not limited to, the meter rooms located throughout the Building, and elevator equipment;

6.2.12 all tanks, pumps, motor fans, compressors and control equipment;

6.2.13 all sewer pipes;

6.2.14 all areaways and any drains contained therein;

6.2.15 the entrances and exits to the Building;

6.2.16 all exterior glass surfaces of windows in the Building;

6.2.17 the mailboxes;

6.2.18 the roof, including roof-top mechanical rooms and other areas thereof, which service the Building (excluding, however, those portions of the roof which constitute either the Roof-Top Unit or terraces which are limited common elements dedicated to the use of certain Unit Owners).

6.2.19 all hallways, mechanical areas, and passages; and

6.2.20 all other parts of the Property and all apparatus, installations, systems, equipment, facilities, pipes, conduits, ducts, chutes, wires and cables and their enclosures existing in the Building or on the Property for common use or necessary or convenient to the existence, maintenance or safety of the Property.

ARTICLE 7

USE OF UNITS

7.1 The Professional Units may be used for any lawful purpose so long as such use conforms and complies with the terms and conditions of the then existing certificate of occupancy of the Professional Unit and any modifications obtained thereto and all legal requirements applicable thereto. The Professional Unit Owner shall have the right to modify the certificate of occupancy, without obtaining the consent of the Board of Managers, to change the use of the Professional Unit to any use permitted under applicable law.

7.2 The Roof-Top Unit may be used as a cell site or an antenna or other use permitted under applicable law. The Cellar Unit may be used for any use permitted under applicable law.

7.3 As more particularly set forth in the By-Laws, Residential Units may be used only as a residence and for permitted professional and ancillary business uses as permitted by law, and not more than one family may occupy a Residential Unit at one time. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other legal entity, may only be occupied by said individual, or an officer, director, stockholder or employee of such corporation, or a partner or employee of such partnership, or member or employee of such limited liability company, or said fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries or partners or employees of partnership fiduciaries) or the beneficiary of said fiduciary, or a principal or employee of such other entity, respectively, or members of the immediate family (including domestic partners) or guests of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Residential Unit by such family members (including domestic partners or guests). Any use of a Residential Unit must conform to the terms and conditions of the then existing certificate of occupancy for such Residential Units and applicable federal, state and local governmental and municipal regulations (including any zoning variance applicable to such Units).

7.4 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Sponsor may, without the permission of the Condominium Board, (a) grant permission for the use of any Unsold Unit (as hereinafter defined) as a professional office or for any other purpose, provided such use is permitted by law, does not violate the then existing certificate of occupancy for such Unit and the user of the Unit complies with all applicable governmental and municipal regulations; and (b) use any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations. Anything contained herein to the contrary notwithstanding, if any of such Residential Units are used for commercial office use purposes as herein above provided, they shall nevertheless be deemed Residential Units hereunder and shall be entitled and subject to all of the rights and restrictions provided or imposed hereunder with respect to the Residential Units.

ARTICLE 8

CHANGES IN THE CONDOMINIUM

8.1 Except as prohibited by law, Sponsor or its successor shall have the right, without the vote or consent of the Condominium Board, other Unit Owners or the Mortgage Representatives, if any, to: (a) make alterations, additions or improvements, whether structural or non-structural, interior or exterior; (b) change the layout of, or number of rooms in, any Unsold Units from time to time; (c) change the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between any Unsold Units, or otherwise; (d) if appropriate, reapportion among the Unsold Units affected by such change in size or number pursuant to the preceding clause and their percentage interests in the Common Elements; provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto and, provided further, that Sponsor or its successor shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom.

8.2 Except as prohibited by law, Sponsor or its successor owner of the Professional Unit(s) may change the use of the Professional Unit(s) to any use permitted under applicable law.

8.3 In the event of any change pursuant to subsection 8.1 prior to the First Closing, such change may only be made after Sponsor has disclosed such changes in a duly filed amendment to the Plan. No change in size of a Unit or its layout will be made with respect to any Unit for which a Purchase Agreement is then in effect and with respect to which the Purchaser is not in default unless the Purchaser consents thereto. Except for Sponsor's right to make certain changes in Unsold Units, as set forth in subparagraphs (a) through (d) of subsection 8.1, once the Declaration is filed and recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may

the size of a Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid, or otherwise, nor may the Common Interest of any Unit or the amount or quality of the Common Elements be changed, unless the Plan and the Declaration are amended with the consent of all Unit Owners directly affected. Sponsor or its successor shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, including filing an amendment to the Plan and the Declaration, and shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom.

8.4 The provisions of this Article 8 may not be added to, amended, modified or deleted without the prior written consent of Sponsor or its successor. By the written permission of the Condominium Board, which shall not be unreasonably withheld, any Unit Owner may be given, with respect to such owner's Unit, the same rights as are set forth in this Article 8 with respect to Unsold Units, except that such Unit Owner may not subdivide his Unit into separate Units. In addition to the restrictions set forth above in this Article 8, no reapportionment of the interests in the Common Elements appurtenant to any Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the percentage interests of the respective Units in the Common Elements, immediately after such reapportionment, will be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the respective Units, the availability of Common Elements for exclusive or shared use and the overall dimensions of the respective Units. The certification referred to in the preceding sentence shall be delivered (a) in the case of any Unsold Unit, at Sponsor's election, by Sponsor, the managing agent of the Condominium or any other person reasonably acceptable to the Condominium Board, and (b) in the case of any Unit, by either the managing agent of the Condominium or any other person reasonably acceptable to the Condominium Board.

8.5 Any Unit Owner who shall make any changes to his Unit in accordance with this Article 8 shall be solely responsible for all costs and expenses, including professional fees and expenses, incurred by such Unit Owner and/or Condominium Board in connection therewith.

ARTICLE 9

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated as agent of the Board of Managers upon whom process against it may be served, and the post office address to which the Secretary of State shall mail a copy of any process against it served upon him is President, having an office at 30 East 37th Street, New York, New York. As required by law, the Board of Managers shall notify the Secretary of State of any change in the managing agent or person authorized to receive a copy of any process served against the Secretary of State.

ARTICLE 10

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

The respective percentage interests of each Unit in the Common Elements has been determined upon the basis of floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit or, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit and the terrace appurtenant thereto, if any.

ARTICLE 11

ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit, upon any other Common Element, (b) any Unit, encroaches upon any other Unit, or upon any portion of the Common Elements, or (c) any encroachment shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration or repair to the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board or made by Sponsor or its successor in accordance with this Declaration or the By-Laws, or (iii) any repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element or after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

ARTICLE 12

FACILITIES AND ALL OTHER COMMON ELEMENTS

Each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all facilities and all other Common Elements, located in any of the other Units or elsewhere on the Property which serve his Unit. Each Unit shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace the facilities and all other Common Elements located in such Unit or elsewhere on the Property which serve other Units. The Condominium Board shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property, provided such right of access shall be exercised in such a manner that will not unreasonably interfere with the normal conduct of business of the occupants and tenants of the Professional Units or 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 notice will be necessary in the case of an "emergency" (a condition requiring repairs or replacements immediately (i) necessary for the

preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or (ii) required to avoid the suspension of any necessary service in the Building).

ARTICLE 13

EASEMENTS

13.1 Each Unit Owner shall have, in common with all other Unit Owners, an easement, for the exclusive use of the Common Elements, except for those Common Elements which are designated for the exclusive use of certain Unit Owners as set forth herein.

13.2 Each Unit Owner shall have, in common with all other Unit Owners, and each Unit shall be subject to, an easement to install, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property, and provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.

13.3 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

13.4 Sponsor or its successors and assigns shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property for the purposes of advertising the sale or lease of any Unsold Unit.

13.5 Sponsor or its successor and the Condominium Board shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Property, as Sponsor, its successor, or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for their permitted purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of the Units for their permitted purposes.

ARTICLE 14

LIMITED COMMON ELEMENTS; TERRACES

Those Unit Owners who own Units 11A, 11C, 11E, PHC , PHB, and PHD shall have an easement and exclusive use of certain designated areas which are created by the set back over the tenth floor roof and the twelfth floor roof, respectively. Such Roof Terraces are designated as Limited Common Elements hereunder. Those Unit Owners who own Residential Units designated as Units M1, M2, M3, M4, M5 and M6 shall have an easement and exclusive use to certain designated outdoor areas adjacent to such Units. The outdoor areas adjacent to such Units shall be referred to as "Rear Yard Terraces". The Roof Terraces and Rear Yard Terraces are collectively referred to as the "Terraces". Those Unit Owners who hold easements to the Roof Terraces will be known as the "Roof Terrace Owners." The Roof Terraces and the Rear Yard Terraces are for passive recreational use only. The Terraces may not be rented out or employed for any commercial purpose. The use of the Terraces must be in compliance with all applicable laws and regulations. It will be the responsibility of the Unit Owners having access to the terraces to maintain such terraces and the floor surfaces thereof. It will be the responsibility of the Condominium to make all structural repairs to the Roof Terraces and the Rear Yard Terraces.

ARTICLE 15

POWER OF ATTORNEY TO THE CONDOMINIUM BOARD

Each Unit Owner shall grant to the persons who shall from time to time constitute the Condominium Board, an irrevocable power of attorney, coupled with an interest (in such form and content as the Condominium Board shall determine), (a) to acquire or lease any Unit, together with its Appurtenant Interests (as hereinafter defined), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;(b) to convey, sell, lease, mortgage or otherwise deal with (but not to vote the interest appurtenant to) any such Unit so acquired or leased; and (c) to execute, acknowledge and deliver and record in the City Register's Office and elsewhere, if required by law, regulation or administrative practice, such instruments and documents including, without limitation (i) any declaration or other instrument affecting the Condominium which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements which the Condominium Board deems necessary or appropriate.

ARTICLE 16

ACQUISITIONS OF UNITS BY THE CONDOMINIUM BOARD

If (a) any Unit Owner surrenders his Unit, together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest in the Terrace appurtenant to such Unit, if applicable, (iii) the interest of such Unit Owner in any other Units, if applicable, theretofore acquired by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any, and (iv) the interest of such Unit Owner in the Common Elements and any other assets of the Condominium (such interests in (i), (ii), (iii) and (iv) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act; or (b) the Condominium Board acquires or leases a Unit, together with its Appurtenant Interests, or purchases, at a foreclosure or other similar sale, a Unit, together with its Appurtenant Interests, then, in any such event, title to any such Unit, together with its Appurtenant Interests, shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements.

ARTICLE 17

COVENANTS RUNNING WITH THE LAND

17.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations (true copies of which are annexed hereto and made a part hereof), including, without limitation, the provisions of this Article 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 therein, and all of the provisions thereof shall be binding upon and 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 entering into a lease or the entering into occupancy of any Unit or shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

17.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the

New York Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the New York Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the New York Condominium Act.

17.3 Subject to Section 17.2, if this Declaration and the By-Laws are sufficient to submit the Property to the provisions of the New York Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 18

AMENDMENTS OF DECLARATION

18.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or any successor owner of any Unsold Units, except as hereinafter set forth, any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 55 percent in number and in common interest of all Unit Owners taken in accordance with the provisions of the By-Laws. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or its successor or any Unsold Units, no amendment, modification, addition or deletion pursuant to the preceding sentence shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the 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 successor or any Unsold Units, any such amendment, modification, addition or deletion shall be executed by the Condominium Board as attorney-in-fact for the Unit Owners coupled with an interest, which the Condominium Board is hereby authorized by the Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor or its successor under Articles 7 and 8 of this Declaration, Articles 7 and 8 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) 100 percent in number and in common interest of all Unit Owners affected thereby approve such amendment, modification, addition or deletion in the manner set forth above.

18.2 If any changes are made by the Sponsor to the Property, the Condominium, any Units, Terraces or the Common Elements in accordance with Article 8 hereof, then Sponsor or its successor or the owner of an Unsold Unit shall have the right to execute, or (on its request) to require any other Unit Owner or the Condominium 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 Sponsor or its successor deems appropriate to effectuate the same) reflecting such changes.

18.3 Notwithstanding anything contained in this Declaration to the contrary, no change in the common interest of any Unit Owner shall be made or effective without the consent of all Unit Owners whose common interests would be affected thereby.

18.4 The provisions of Sections 18.1 and 18.2 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or any successor owner of the Unsold Units.

ARTICLE 19

TERMINATION OF CONDOMINIUM

The Condominium shall continue until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws or (b) such time as withdrawal of the Property from the provisions of the New York Condominium Act is authorized by a vote of at least 80 percent in number and in common interest of all Unit Owners. No such vote under clause (b) in the preceding sentence shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any. Sponsor will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least 80 percent in number and in common interest 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 said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective common interest, provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of his share of such net proceeds all liens on his Unit in the order of priority of such liens.

ARTICLE 20

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 21

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

ARTICLE 22

CERTAIN REFERENCES

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

22.2 The terms "herein," "hereof," or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used.

22.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 23

SEVERABILITY

Subject to the provisions of Sections 17.2 and 17.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforceable to the fullest extent permitted by law.

ARTICLE 24

COVENANT OF FURTHER ASSURANCES

24.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the

Condominium Board, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of 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.

24.2 If any Unit Owner or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

24.3 If any Unit Owner or the Condominium Board or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which the Condominium Board or Unit Owner or other party is required to execute, acknowledge and deliver or take pursuant to this Declaration at the request of Sponsor, then Sponsor, is hereby authorized as attorney-in-fact for the Condominium Board or such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action, in the name of the Condominium Board or such Unit Owner or other party and such document or action shall be binding on the Condominium Board or such Unit Owner or other party, as the case may be.

ARTICLE 25

SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or, with consent of Sponsor, any transferee of the Unsold Units. Subject to the foregoing, Sponsor shall have the rights, at any time, in its sole discretion, to assign or, otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment or otherwise.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the day of_____, 200_.

HAMPTON ASSOCIATES LLC

By:_____
Robert J. Goldfein, Manager

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

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

_____
Notary Public

SCHEDULE A

TO THE DECLARATION

OF 30 EAST 37TH STREET CONDOMINIUM

ALL THAT CERTAIN lot, 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 a point on the southerly side of 37th Street, distant 130 feet westerly from the southwesterly corner of Park Avenue and 37th Street;

RUNNING THENCE southerly parallel with Park Avenue, 98 feet 9 inches to the centre line of the block;

THENCE westerly along said center line of the block, 108 feet;

THENCE northerly parallel with Park Avenue, 98 feet 9 inches to the southerly side of 37th Street; and

THENCE easterly along the southerly side of 37th Street, 108 feet to the point or place of BEGINNING.

SCHEDULE B

UNIT #	SQUARE FEET	COMMON ELEMENTS	TAX LOT #	LIMITED COMMON ELEMENTS
M1	1127	1.6200%	1001	Ground Floor Patio
M2	927	1.3700%	1002	Ground Floor Patio
M3	1946	2.5700%	1003	Ground Floor Patio
M4	1377	2.0100%	1004	Ground Floor Patio
M5	921	1.3700%	1005	Ground Floor Patio
M6	1119	1.6000%	1006	Ground Floor Patio
2C	582	0.7200%	1007	
2D	479	0.6300%	1008	
2E	490	0.6400%	1009	
2F	493	0.6500%	1010	
2G	481	0.6400%	1011	
2H	580	0.7200%	1012	
3A	697	0.8800%	1013	
3B	1499	1.8100%	1014	
3D	481	0.6400%	1015	
3E	490	0.6500%	1016	
3F	493	0.6500%	1017	
3G	481	0.6400%	1018	
3H	579	0.7200%	1019	
3J	910	1.1200%	1020	
3K	683	0.8700%	1021	
4A	697	0.8800%	1022	
4B	909	1.1200%	1023	
4C	582	0.7300%	1024	
4D	479	0.6400%	1025	
4E	490	0.6500%	1026	
4F	493	0.6500%	1027	
4G	481	0.6400%	1028	
4H	1497	2.1000%	1029	
4K	683	0.8800%	1030	
5A	687	0.8900%	1031	
5B	909	1.1300%	1032	
5C	582	0.7300%	1033	
5D	479	0.6400%	1034	
5E	490	0.6500%	1035	

UNIT #	SQUARE FEET	COMMON ELEMENTS	TAX LOT #	LIMITED COMMON ELEMENTS
5F	493	0.6500%	1036	
5G	481	0.6400%	1037	
5H	579	0.7300%	1038	
5J	910	1.1300%	1039	
5K	683	0.8800%	1040	
6A	697	0.8900%	1041	
6B	909	1.1300%	1042	
6C	582	0.7300%	1043	
6D	479	0.6400%	1044	
6E	490	0.6500%	1045	
6F	493	0.6600%	1046	
6G	481	0.6400%	1047	
6H	579	0.7300%	1048	
6J	910	1.1300%	1049	
6K	683	0.8800%	1050	
7A	697	0.8900%	1051	
7B	909	1.1300%	1052	
7C	582	0.7300%	1053	
7D	479	0.6400%	1054	
7E	490	0.6500%	1055	
7F	493	0.6600%	1056	
7G	481	0.6500%	1057	
7H	579	0.7300%	1058	
7J	910	1.1300%	1059	
7K	683	0.8800%	1060	
8A	697	0.8900%	1061	
8B	909	1.1300%	1062	
8C	582	0.7300%	1063	
8D	479	0.6500%	1064	
8E	490	0.6600%	1065	
8F	493	0.6600%	1066	
8G	481	0.6500%	1067	
8H	579	0.7300%	1068	
8J	910	1.1300%	1069	
8K	683	0.8800%	1070	
9A	697	0.9000%	1071	
9B	909	1.1300%	1072	

UNIT #	SQUARE FEET	COMMON ELEMENTS	TAX LOT #	LIMITED COMMON ELEMENTS
9C	582	0.7400%	1073	
9D	479	0.6500%	1074	
9E	490	0.6600%	1075	
9F	493	0.6600%	1076	
9G	481	0.6500%	1077	
9H	579	0.7300%	1078	
9J	910	1.1300%	1079	
9K	683	0.8900%	1080	
10A	697	0.9000%	1081	
10B	909	1.1300%	1082	
10C	582	0.7400%	1083	
10D	479	0.6500%	1084	
10E	490	0.6600%	1085	
10F	493	0.6600%	1086	
10G	481	0.6500%	1087	
10H	579	0.7400%	1088	
10J	910	0.1300%	1089	
10K	683	0.8900%	1090	
11A	2122	4.0100%	1091	Roof Top Terrace
11C	1409	1.8100%	1092	Roof Top Terrace
11E	1229	1.7200%	1093	Roof Top Terrace
12A	1233	1.7700%	1094	
12B	848	1.1200%	1095	
12C	553	0.6900%	1096	
12D	851	1.1600%	1097	
12E	1229	1.7600%	1098	
PHA	2453	4.1800%	1099	Roof Top Terrace
PHB	628	0.8800%	1100	Roof Top Terrace
PHC	923	1.3400%	1101	Roof Top Terrace
Office Unit 1	990	0.4668%	1102	
Office Unit 2	919	0.4766%	1103	
Cellar Space	389	0.1269%	1104	
Roof Unit	118	0.0397%	1105	

EXHIBIT J

BY-LAWS AND RULES AND REGULATIONS

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SCHEDULE A
RULES AND REGULATIONS OF
30 EAST 37TH STREET CONDOMINIUM

BY-LAWS OF THE 30 EAST 37TH STREET CONDOMINIUM

ARTICLE 1

GENERAL

1.1. Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of 30 East 37th Street Condominium (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately 10,655 square feet of land (the "Land") located on Lots 48, 50 and 51 which forms a part of Block 866 in Section 2 on the Tax Map of the Borough of Manhattan, County and State of New York, the building and other improvements now or hereafter to be constructed thereon (hereinafter collectively called the "Building"), including, without limitation, the Units, the Limited Common Elements, and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the New York County office of the Register of The City of New York ("City Register's Office"), together with these By-Laws. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration.

1.2. Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration are accepted, ratified, and will be complied with.

1.3. Principal Office of Condominium. The principal office of the Condominium shall be located within the Property or at such other place within the Borough of Manhattan reasonably convenient thereto, as may be designated from time to time by the Condominium Board (as hereinafter defined).

ARTICLE 2

BOARD OF MANAGERS

2.1. Number, Term and Qualification.

2.1.1. As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board" or the "Board") which shall be comprised of representatives of the Unit Owners. From and after the holding of the first annual meeting of Unit Owners, the Board shall consist of five (5) persons, four (4) elected by the Residential Unit Owners and one elected by the Commercial Unit Owners.

2.1.2. Each Board Member elected by the Unit Owners shall serve for a two-year term. Except at the first annual meeting (at which meeting the Unit Owners shall elect four (4) managers), two (2) managers shall be elected at elections held in years ending with an even number (including the Board Members elected by the Commercial Unit Owners) and two (2) managers shall be elected in years ending with an odd number provided, however, this provision shall not apply to managers appointed by Sponsor or its successor. So long as the Sponsor owns at least one Residential Unit, Sponsor may designate one manager of the Board of Managers to serve in one of the two manager positions allocated to the Residential Units. Any person who wishes to serve as a member of the Board or wishes to nominate a person to serve as a member of the Board (other than those persons designated by Sponsor or its successor) shall give written notice to the managing agent of the Condominium no less than fourteen (14) days prior to the annual meeting at which such election is being held. There shall be no limit on the number of successive terms a Board member may serve.

2.1.3. Except for Board members elected or designated by Sponsor or its successor or by the Commercial Unit Owners, all members of the Board shall be either resident Unit Owners or officers, directors, shareholders, partners, members, principals, employees or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries or any other entities which are Residential Unit Owners, Permitted Mortgagees (as such term is defined as Section 7.1 hereof), or family members (including domestic partners) of any of the foregoing. Other than Board members elected or designated by Sponsor or its successor, no Board member shall continue to serve after he ceases to be qualified as set forth above.

2.2. Powers and Duties.

2.2.1. The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by law, the Declaration or these By-Laws may not be delegated to the Board by the Unit Owners).

All determinations with respect to the administration of the affairs of the Condominium shall be made by the Condominium Board.

2.2.2. Subject to the provisions of subsection 2.2.1 and without limiting the generality thereof, the Condominium Board shall be entitled to make determinations with respect to the following matters:

2.2.2.1. Operation, care, upkeep, maintenance, repair or replacement of the Common Elements, except to the extent that certain Unit Owners are responsible for certain Common Elements designated for their exclusive use, as set forth in the Declaration and in Section 6.9 hereof.

2.2.2.2. Determination and collection of Common Charges (as hereinafter defined).

2.2.2.3. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.

2.2.2.4. Adoption of, and amendments and additions to, the Rules and Regulations (as hereinafter defined).

2.2.2.5. Maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating the signatories required therefor.

2.2.2.6. Obtaining and reviewing insurance of the Property, including the Units, pursuant to the provisions of Section 6.2.

2.2.2.7. Making repairs, restorations, additions and improvements to, or alterations of, the Common Elements, except to the extent that certain Unit Owners are responsible for certain Common Elements designated for their exclusive use, as set forth in the Declaration and in Section 6.9 hereof.

2.2.2.8. Levying fines against Unit Owners for violations of the Rules and Regulations (any such fines shall constitute Common Charges payable by the Owner of the Unit against which they are levied).

2.2.2.9. Adjusting and settling insurance claims and executing and delivering releases in connection therewith, as set forth in Section 6.2.

2.2.2.10. Borrow money on behalf of the Condominium and all Unit Owners when required for major and minor maintenance repairs, additions, improvements, replacements, working capital, bad debt and unpaid Common Expenses, depreciation, obsolescence and similar purposes. Such debt may be incurred no earlier than the fifth anniversary of the first conveyance of a Unit and the consent of a majority in interest of Unit Owners must be obtained. In order to secure such loans, the Board of Managers may (a) assign the rights to receive future income and Common Charges

that it will be entitled to collect from Unit Owners; (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds; (c) agree that to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of Real Property Law § 339.1(2) all Common Charges received and to be received by it, and the right to receive such funds shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose; and (d) agree that at the lender's direction it will increase Common Charges to the extent necessary to pay any amounts when due under any of the provisions of the agreements under which the debt was incurred.

2.2.2.11. Collection of Common Charges from Unit Owners.

2.2.2.12. Enforcing obligations of Unit Owners.

2.2.2.13. Subject to the provisions of these By-Laws and the Declaration, execution, acknowledgment and delivery of (i) any declaration or other instrument affecting the Property which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Board deems necessary or appropriate.

2.2.2.14. Prepare, execute and record, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-Laws whenever, in the Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws.

2.2.2.15. Accepting the surrender of any Unit in the name of the Board or its designee, on behalf of all Unit Owners.

2.2.2.16. Purchasing, leasing or otherwise acquiring in the name of the Board or its designee, on behalf of all Unit Owners, Units offered for sale or lease by their owners.

2.2.2.17. Purchasing any Unit, at foreclosure or other similar sale, in the name of the Board or its designee, on behalf of all Unit Owners.

2.2.2.18. Organizing corporations to act as designees of the Board with respect to such matters as the Board may determine, including, without limitation, in connection with the acquisition of title to any Unit the Board on behalf of all Unit Owners.

2.2.2.19. Selling, leasing, mortgaging or otherwise dealing with (but not voting the interest appurtenant to) any Unit, if acquired by the Board or its designee, on behalf of all Unit Owners.

2.2.2.20. Making repairs and restorations of the Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.21. Any act with respect to a matter determinable by the Board and deemed necessary or desirable by the Board in connection therewith shall be done or performed by the Board or shall be done on its behalf and at its direction by the agents, employees or designees of the Board.

2.2.2.22. Notwithstanding anything to the contrary contained in these By-Laws, so long as Sponsor or its successor owns or controls at least 25 percent in Common Interest of all Units (but only for a maximum period of five years from the date of the first closing of title to a Unit under a Purchase Agreement pursuant to the Offering Plan as hereinafter defined), the Board may not, without Sponsor's prior written consent: (i) make any addition, alteration or improvement to the Common Elements (unless required by law); (ii) assess any Common Charges for the creation of, addition to, or replacement of, all or part of any reserve, contingency or surplus provided for in Schedule B of the Condominium Offering Plan for the premises located at 199 Bowery, New York, New York, as the same has been and may from time to time be amended (the "Offering Plan"); (iii) hire any additional employee or engage any independent contractor to provide services to the Condominium on a continuing basis; (iv) enter into any service or maintenance contract for work not covered in Schedule B of the Offering Plan, or otherwise provide services in excess of those contemplated by Schedule B or elsewhere in the Offering Plan; or (v) borrow money on behalf of the Condominium.

2.3. Managing Agent and Manager. The Board shall, with respect to decisions on matters which the Board is entitled to make, employ a managing agent and/or a manager at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in subsections 2.2.(2.1), (2.3), (2.6), (2.7), (2.11) and (2.20). The Board may also delegate to such managing agent or manager other powers granted to it by these By-Laws, except the powers set forth in subsections 2.2.(2.2), (2.4), (2.5), (2.8), (2.9), (2.10) and (2.19).

2.4. First Board. Until the first annual meeting of Unit Owners, the Board shall consist of three (3) persons designated by Sponsor, from time to time. Within thirty (30) days of the first anniversary of the First Unit Closing, such first Board shall call the first annual meeting of Unit Owners in accordance with the provisions of Section 3.1.

2.5. Removal. Subject to the provisions of Section 2.4 and subsection 3.9.3, any Board member may, be removed, with or without cause, by a vote of Unit Owners present in person or by proxy at a regular or special meeting of Unit Owners at which a quorum is present and any Board member designated as such by Sponsor may be removed, only for cause, by a vote of all Unit Owners, present in person or by proxy at a meeting of all Unit Owners at which a quorum is present.

Any Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting.

2.6. Vacancies. Subject to the provisions of Section 2.4 and subsection 3.9.3, any vacancy on the Board for whatever reason shall be filled by the members of the Board then in office, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the Board for the remainder of the term of the member creating such vacancy and until a successor shall be elected at the next annual meeting of Unit Owners.

2.7. Organization Meeting of Condominium Board. The first meeting of the Board following each annual meeting of Unit Owners shall be held within ten (10) days after such annual meeting at such time and place in the Borough of Manhattan as shall be fixed by a majority of the members thereof, and no notice shall be necessary to the newly elected Board members in order to legally constitute such meeting, provided that a majority of the members of the Board shall be present thereat.

2.8. Regular Meetings of Condominium Board. Regular meetings of the Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof, provided that at least four such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member thereof, by personal delivery, mail or telegram, at least five (5) business days prior to the day named for such meeting.

2.9. Special Meetings of Condominium Board. Special meetings of the Board may be called by the President or Secretary-Treasurer of the Condominium by giving five business days' prior notice to each member of the Board, by personal delivery, mail or telegram, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary-Treasurer of the Condominium in like manner and on like notice on the written request of at least two members of the Board.

2.10. Waiver of Notice. Any Board member may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

2.11. Determinations by Condominium Board; Quorum.

2.11.1. Except as otherwise set forth in 2.11.3, all determinations of the Board shall be made at a meeting of the Board at which a quorum thereof is present. At any such Board meeting, a majority of the members thereof shall constitute a quorum and the votes of a majority of such members present shall constitute the decision of the Board.

2.11.2. If at any Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.11.3. Members of the Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing.

2.12. Compensation. No member of the Board shall receive any compensation for acting as such.

2.13. Liability of Condominium Board and Unit Owners. To the extent permitted by applicable law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of any managing agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Board or by any managing agent or manager thereof shall state that it is made by the Board, managing agent or manager only as agent for all Unit Owners, that such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate common interests of all Unit Owners and, unless expressly stated to the contrary in such contract (as determined by the Board in its sole and absolute discretion), to the extent permitted by applicable law, shall be limited to such Unit Owner's interest in his Unit and his appurtenant interest in the Common Elements so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for his payment of Common Charges. Any such contract or agreement may also provide that it covers the assets, if any, of the Board. Board members shall have no liability to Unit Owners for errors of judgment, negligence or otherwise, except that a Board member shall be liable for his own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant interests in the Common Elements, indemnify each Board member against any liability or claim except those arising out of his own bad faith or willful misconduct. The Board may contract or effect any other transaction with any Board member, any Unit Owner, Sponsor or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.14. Fidelity Bonds. The Board may obtain fidelity bonds in amounts deemed appropriate by it for all of its members, officers and employees and of the managing agent or manager, if any, employed by it and the premiums on such bonds shall constitute Common Expenses.

2.15. Committees. The Board may, subject to such limitations and exceptions as the Board may prescribe, appoint such committees as the Board may deem appropriate, each to consist of one or more members of the Board. Each such committee, to the extent provided in the resolution which creates it, shall have and may exercise all the powers of the Board during the intervals between the meetings of the Board insofar as may be permitted by law.

2.16. Principal Office of Condominium Board. The principal office of the Board shall be located within the Property or at such other place in the Borough of New York reasonably convenient thereto, as may be designated from time to time by the Board.

2.17. Status of Condominium Board. In addition to the status conferred upon the Board under or pursuant to the provisions of the New York Condominium Act, the Board shall, to the extent permitted by applicable law, be deemed to constitute a separate unincorporated association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of the Board pursuant to the provisions of Section 2.18, the provisions of this Section 2.17 shall no longer be applicable.

2.18. Incorporation of Condominium Board. To the extent and in the manner provided in the New York Condominium Act, the Board may, as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that the Board so incorporates it shall have, to the extent permitted by applicable law, the status conferred upon it under such statutes in addition to the status conferred upon the Board under or pursuant to the provisions of the New York Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions thereof and the provisions of such certificate of incorporation and by-laws.

2.19. Condominium Board as Agent of Unit Owners. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Board shall act as, and shall be, the agent of the Unit Owners, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3

UNIT OWNERS

3.1. Annual Meetings. On a date not later than thirty (30) days after the first anniversary of the First Unit Closing, the first annual meeting of Unit Owners shall be held. At such meeting, the

incumbent Board shall resign and a new Board shall be elected (as provided herein) consisting of five (5) members of which four (4) members shall be elected by the Residential Unit Owners and one member shall be elected by the Commercial Unit Owner(s). Thereafter, annual meetings of Unit Owners shall be held on a date within thirty (30) days of the anniversary of the First Unit Closing. Unit Owners shall receive no less than thirty (30) days written notice of such annual meetings. At each annual meeting, the Residential Unit Owners shall elect the two (2) members of the Board who shall each serve for a two- year term. One member shall be elected by the Commercial Unit Owner in alternating years to serve for a two year term. There shall also be transacted such other business as may properly come before such meeting. Written notices of persons who intend to run for election to the Board of Managers shall be delivered to the Managing Agent by such person or the persons who wish to nominate such persons no less than fourteen (14) days prior to the annual meeting of Unit Owners.

3.2. Place of Meetings. Meetings of 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.

3.3. Special Meetings. The President of the Condominium shall call a special meeting of Unit Owners if so directed by resolution of the Board or upon a petition signed and presented to the Secretary of the Condominium by not less than twenty-five (25%) percent in common interest of Unit Owners.

3.4. Notice of Meetings. Notice of each annual or special meeting shall be given by the Secretary of the Condominium to all Unit Owners of record entitled to vote thereat. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, mail or telegram, at least five (5) business days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address as any Unit Owner has designated by notice in writing to the Secretary at least ten days prior to the giving of notice of the applicable meeting.

3.5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

3.6. Order of Business. The order of business at all meetings of Unit Owners shall be as follows:

(a) Roll call;

(b) Proof of notice of meeting;

(c) Reading of minutes of preceding meeting;

(d) Reports of officers;

(e) Reports of members of the Board;

(f) Reports of committees;

(g) Election of inspectors of election (when so required);

(h) Election of members of the Board (when so required);

(i) Unfinished business; and

(j) New business.

3.7. Title to Units. Title to Units and the Appurtenant Interests may be taken by any individual, corporation, partnership, limited liability company, association, trust or other entity, or any two or more of such owners as joint tenants, tenants-in-common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

3.8. Voting.

3.8.1. Each Unit Owner or a person designated by such Unit Owner to act as proxy on his behalf (who need not be a Unit Owner) shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the Condominium and shall be revocable at any time by written notice to such Secretary by the Unit Owner so designating. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Neither the Board nor its designee shall be entitled to vote the interest appurtenant to any Unit owned by the Board and the common interest of such Unit shall be excluded from the total of interests ("Common Interests") in the Common Elements when computing the interest of Unit Owners for voting purposes.

3.8.2. Except as set forth in Section 3.9, at all meetings of Unit Owners each Unit Owner (or his proxy) entitled to vote thereat (including Sponsor with respect to Units owned by Sponsor or its designee) shall be entitled to cast one vote for each 0.5 percent of Common Interest attributable to his or its Unit.

3.9. Election of Condominium Board: Rights of Sponsor.

3.9.1. All elections of Board members shall be determined by plurality vote.

3.9.2. When voting for members of the Board, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interest owned by such Unit Owner, and, in addition, the name of the proxy if such ballot is cast by a proxy. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9.3. Notwithstanding anything in this Section 3.9 or these By-Laws to the contrary, so long as Sponsor or its designee owns at least one Unsold Unit (including a Commercial Unit), and whenever there is a vacancy on the Board, Sponsor shall have the right to designate, prior to the election of members of the Condominium Board at the annual meeting of Unit Owners, and whenever there is a vacancy on the Board, a sufficient number of Board members so that Sponsor or its designee shall have designated the following number of Board members at any one time: (a) one (1) member, if Sponsor owns less than 50 percent in Common Interest of all Units; and (b) two (2) members, if Sponsor owns 50 percent or more in Common Interest of all Units before the fifth anniversary of the First Unit Closing. The number of Board members may not be increased prior to the fifth anniversary of the First Unit Closing. After the end on the Sponsor Control Period (as defined in the Plan), the majority of the Board members must be Owner Occupants of the Building. Any vacancy created by removal or by any other cause of the Board member designated by Sponsor shall be filled by a member designated by Sponsor.

3.10. Majority of Unit Owners. Except as may otherwise be provided by law, as used in these By-Laws, the term "Majority of Unit Owners" means those Unit Owners having more than 50 percent of the total authorized votes of all Unit Owners (determined in accordance with the provisions of Section 3.8), who are present in person or by proxy and voting at any meeting at which a quorum is present.

3.11. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning more than fifty (50%) percent of the Common Interests attributable to all Units shall constitute a quorum at all meetings of Unit Owners.

3.12. Majority Vote. Except where otherwise provided by law, the Declaration or these By-Laws, at all meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

ARTICLE 4

OFFICERS

4.1. Designation. The principal officers of the Condominium shall be a President and Secretary-Treasurer thereof, all of whom shall be elected by the Board. The Board may appoint such other officers as in its judgment may be desirable. None of the officers of the Condominium need be Unit Owners nor have any interest therein nor be Board members until the first organization

meeting of the Board after the first annual meeting of Unit Owners. Thereafter, the President and Secretary-Treasurer of the Condominium must be members of the Board.

4.2. Election of Officers. The officers of the Condominium shall be elected annually by the Board at the organization meeting thereof, except that the initial officers of the Condominium shall be elected by the initial Board and shall hold office at the pleasure of such Board and until their successors are elected.

4.3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor may be elected, at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

4.4. President. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all meetings of Unit Owners and at all meetings of the Board. The President shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Condominium.

4.5. Secretary-Treasurer. The Secretary-Treasurer of the Condominium shall keep the minutes of all meetings of Unit Owners and of the Board and 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 Secretary shall have charge of such books and papers as the Board shall direct and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

The Secretary-Treasurer shall also 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 appointed by the Board) in such depositories as may from time to time be designated by the Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.6. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two officers thereof or by such other person or persons as may be designated by the Board.

4.7. Compensation of Officers. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such.

ARTICLE 5

NOTICES

5.1. Notices. All notices required or desired to be given hereunder to the Board shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or registered mail, return receipt requested to the office of the Board or to such other address as the Board may designate from time to time, by notice in writing to all Unit Owners and Permitted Mortgagees, and, if there is a managing agent of the Board, a duplicate shall be sent in like manner to such managing agent. All notices to any Unit Owner shall, except as otherwise provided herein, be in writing and shall be deemed to have been given if delivered personally or sent by certified or registered mail, return receipt requested to the Property address of such Unit Owner or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Board. All notices to Permitted Mortgagees shall be sent by certified or registered mail, return receipt requested to their respective addresses, as designated by them from time to time, in writing to the Board. Except as otherwise expressly provided, all notices shall be deemed to have been received on the date of personal delivery or on the fifth day after mailing.

5.2. Waiver of Service of Notice. Whenever any notice is required to be given by law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6

OPERATION OF THE PROPERTY

6.1. Determination of Common Expenses and Fixing of Common Charges.

6.1.1. Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements ("Common Expenses") shall be determined by the Board and as set forth below, shall be borne by the Unit Owners. Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Common Expenses. Common Expenses may also include such amounts as the Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Common Elements (including those portions of the Common Elements described as Limited Common Elements) and such amounts, determined by the Board, as may be required for the purchase, lease or sublease by the Board or its designees, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell, lease, transfer or convey such Unit or which is to be sold at a foreclosure or other sale. The Board shall from time to time and at least

annually prepare a budget to meet Common Expenses and shall allocate and assess to the Unit Owners, *pro rata* in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Common Charges") to meet Common Expenses. The Board shall advise all Unit Owners promptly in writing of the amount of Common Charges payable by each of them and shall furnish copies of the budget on which Common Charges are based to all Unit Owners and Permitted Mortgagees thereof. In addition, until the Units are separately assessed for real estate tax purposes, the Board will pay all taxes with respect to the Property and allocate the cost thereof among all Units in proportion to each Units' Common Interest, and each Unit Owner will reimburse the Board for his proportionate share thereof. Such reimbursement shall be allocated as if it were a Common Charge.

6.1.2. The excess of all rents, profits and revenues derived from the rental or use of any space forming part of or included in any Common Element remaining after the deduction of the expenses in connection therewith shall constitute income of the Unit Owners and be collected on behalf of the Unit Owners by the Board. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs,ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.1.3. Allocations of insurance costs for the Condominium may be made by the Board in accordance with Section 339-bb of the New York Real Property Law. If any insurance premium required to be paid by the Board shall increase as a result of a change in the use of the Commercial Units, such increase shall be charged to the Commercial Unit Owners, and may not be allocated pro-rata to the Unit Owners according to their Common Interests.

6.2. Insurance.

6.2.1. The Board shall be required to obtain and maintain, to the extent obtainable, the following insurance: (a) fire insurance with all risk endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit or not covered by the Condominium Board's insurance policy), together with all service machinery contained therein and covering the interests of the Condominium, the Condominium Board and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount not less than an amount sufficient to avoid any defense based on co-insurance or other insurance or of any invalidity arising from any acts of the insured and of pro-rata reduction of liability but in no event greater than the full insurable replacement value of the Building (exclusive of foundation and footings), without deduction for depreciation; each of said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) rent insurance in an amount equal to Common Charges for one (1) year; (c) workmen's compensation and New York State disability benefits insurance; (d) water damage legal liability insurance; (e)

elevator liability and collision insurance; (f) at the option of the Board, fidelity insurance covering all officers, members of the Board of Directors of the Condominium and employees of the Condominium and of the managing agent or agents who handle funds of the Condominium; and (g) such other insurance as the Board may reasonably determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a Common Expense and shall be borne by the Unit Owners in proportion to their respective Common Interests. If additional coverage or other coverage is added by the Condominium, the premium for such coverage will be increased, thereby increasing the amount of Common Charges payable by all Unit Owners.

6.2.2. All such policies shall provide that adjustment of loss shall be made by the Board. Insurance proceeds with respect to any loss shall be payable to the Board, except that the proceeds of all policies of physical damage insurance, if in excess of $1,000,000, shall be payable to a bank or trust company designated by the Board as Insurance Trustee pursuant to the provisions of Section 12.5.

6.2.3. The amount of fire insurance and all risk extended coverage to be maintained until the first Board meeting following the first annual meeting of Unit Owners shall be in at least the sum of $14,000,000.00.

6.2.4. All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or other insurance or of invalidity arising from any acts of the insured and of pro-rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all Permitted Mortgagees. Upon request in each instance, duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, shall be delivered to Unit Owners and Permitted Mortgagees at least ten (10) days prior to expiration of the then current policies.

6.2.5. The Board also shall be required to obtain and maintain comprehensive general liability insurance in such limits as the Board may from time to time determine, covering (i) the Board, the managing agent thereof, each Board member and each officer and employee of the Condominium and (ii) each Unit Owner, and covering all claims for personal injury or property damage arising out of any occurrence on the Property, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit or within the Limited Common Elements, if any, exclusive to his Unit. Such insurance shall also cover cross-liability claims of one insured against another. The Board shall review such limits once each year. Until the first meeting of the Board following the first annual meeting of Unit Owners, such liability insurance shall have a limit of $1,000,000 covering all claims for personal injury or property damage arising out of one occurrence.

6.2.6. Any insurance maintained by the Board may provide for such deductible amounts as the Board determines.

6.2.7. Unit Owners, other than Sponsor or the Holder of Unsold Units, are required to carry insurance for their own benefit with respect to the personal property, fixtures and the improvements contained in the Units in an amount of no less than $50,000 and liability insurance in an amount of no less than $1,000,000 per occurrence. The Condominium Board may increase the minimum amounts of such insurance from time to time as the Condominium Board deems advisable. All such policies shall contain waivers of subrogation, if available. Furthermore, the liability of the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

6.3. Repair or Reconstruction After Fire or Other Casualty.

6.3.1. Except as set forth in the next paragraph, in the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Condominium Board will arrange for the prompt repair and restoration thereof (including any damaged Units, but excluding any appliances, fixtures, furniture, furnishings, or other personal property not constituting a part of such Unit or not covered by the Condominium Board's insurance policy and subject to the limitation set forth in the next sentence). The aforesaid restoration obligation of the Condominium Board with respect to the Units shall be limited to solely restoring any damaged Unit to the condition that the Unit was in on the date that the Sponsor conveyed title to the Unit to the original Unit Owner (*i. e.*, the Closing Date) or the Condominium Board may elect to assign the insurance proceeds attributable to such Unit, in which case such Unit Owner would be responsible for the restoration of the Unit to the condition that the Unit was in on the Closing Date. If the insurance proceeds are insufficient to cover the cost of repairs or restorations, the Condominium Board may assess the deficit as a Common Expense to the Unit Owners in proportion to their respective share of the Common Elements. Any surplus insurance proceeds will be paid to all Unit Owners at the discretion of the Board in proportion to their respective Common Interests, except that no payment may be made to a Unit Owner until there has first been paid, out of his share of such funds, such amounts as may be necessary to eradicate unpaid liens on his Unit (other than mortgages that are Permitted Mortgages, as such term is defined in the Declaration) in the order of priority of such liens.

Each Unit Owner should make sure that he is adequately insured to the extent of any changes, modifications and/or deletions that he may have made to his Unit subsequent to the initial transfer of the Unit from the Sponsor.

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

Declaration) in the order of priority of such liens. If Sponsor or his designee is then a Unit Owner, Sponsor or such designee will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building. As used in this Section 6.3, the words "promptly resolve" shall mean not more than 60 days from the date of such damage or destruction.

6.3.3. Any dispute between Unit Owners or between any Unit Owner and the Board arising under this Section 6.3 shall be determined by arbitration.

6.4. Payment of Common Charges.

6.4.1. All Unit Owners shall be obligated to pay Common Charges assessed by the Board pursuant to the provisions of Section 6.1 at such time or times (but not less than monthly) as the Board determines. Unless otherwise determined by the Board, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4.2. No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale or other conveyance by him (made in accordance with these By-Laws) of such Unit together with its appurtenant interests in the Common Elements. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages and the statutory lien for unpaid Common Charges; and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit, convey such Unit together with its appurtenant interests in the Common Elements, to the Board or its designee, corporate or otherwise, on behalf of all Unit Owners and in such event be exempt from Common Charges thereafter accruing. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Unit to the Board and thereby exempt itself from Common Charges attributable to such Unit thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except that, to the extent permitted by law, a purchaser of a Unit at a foreclosure sale of a Permitted Mortgagee shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by law, the Board, on behalf of all Unit Owners, shall have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit in proportion to their respective Common Interests.

6.4.3. All liens provided for in subsection 6.4.2, to the extent permitted by applicable law, shall be subordinate to liens for real estate taxes and any first mortgage liens on the Unit. As used in these By-Laws, the term "Permitted Mortgage" means only a mortgage of a Unit or Units permitted to be placed thereon pursuant to the provisions of these By-Laws.

6.5. Collection of Common Charges. The Board shall take prompt action to collect any Common Charges due to the Board which remain unpaid for more than ten (10) days after the due date for payment thereof, including, without limitation, the institution of such actions for the recovery of interest and expenses as provided in this Article 6.

6.6. Default in Payment of Common Charges. In the event any Unit Owner fails to make payment of Common Charges, such Unit Owner shall be obligated to pay (a) a "late charge" of $.04 for each dollar of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of two percent per month (but in no event in excess of the maximum rate permitted by law) on such unpaid amounts (less any "late charges" theretofore collected on such amounts) computed from the due date thereof, together with all expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by its managing agent in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner.

6.7. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Board, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to such Unit). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

6.8. Statement of Common Charges. The Board shall promptly provide any Unit Owner who so requests with a written statement of all unpaid Common Charges due to it from such Unit Owner.

6.9. Maintenance and Repairs.

6.9.1. Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, (a) in or to any Unit (including any portion of the Common Elements included therein and maintained as a part of such Unit pursuant to subsection 6.15.4 but excluding other Common Elements included therein) and the interior side of entrance doors thereto shall be made by the owner of such Unit at such Unit Owner's sole cost and expense and (b) in or to the Common Elements, shall

be made by the Board and the cost and expense thereof shall be charged to the Unit Owners as a Common Expense. Unit Owners who own the Terraces shall be responsible for cleaning and general upkeep of such Terraces.

6.9.2. Notwithstanding the provisions of subsection 6.9.1 hereof:

6.9.2.1. In the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner, the entire cost thereof shall be borne by such Unit Owner or (b) the Board, the entire cost thereof shall be charged to all Unit Owners as a Common Expense, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

6.9.2.2. The exterior glass surfaces of all windows located in any Unit shall not be colored or painted. The exterior glass surfaces of all windows located in any Unit shall be washed and cleaned by the owner thereof at such Unit Owner's sole cost and expense. All normal maintenance, repairs and replacements made to a particular Unit shall be made by the Unit Owner owning such Unit at his own cost and expense. Any structural or extraordinary repairs or replacements made to a Unit, which the Board determines are not caused by the acts or negligence of the Unit Owner owning such Unit, shall be made by the Board, and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense. Notwithstanding the foregoing, any and all replacements of glass windows or glass portions of terraces and balconies in any unit because of breakage or otherwise shall be made by the Board at the sole cost and expense of the owner of such Unit.

6.9.3. Each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any yard, roof or 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 as set forth herein, and such Unit Owner or the Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements 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 (a) the Board with respect to such parts of the Building required to be maintained by it and (b) each Unit Owner with respect to the interior and exterior surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit. No Unit Owner may make any alteration to the window treatments in his Unit except as may be permitted by the Board of Managers.

6.10. Violations of Maintenance Obligations.

6.10.1. In the event that any Unit Owner, after receipt of written notice from the Board, fails or neglects in any way to perform any obligations of his with respect to the painting, decorating, maintenance, repair or replacement of his Unit as provided in this Article 6 or of any Common

Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Board shall perform or cause to be performed such painting, decorating, maintenance, repairs or replacements unless such Unit Owner, within five (5) days after receiving notice of such default by the Board, cures such default, or in the case of default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repairs or replacements in such Unit Owner's Unit, together with interest thereon at the rate of two percent per month (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by such Unit Owner to the Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

6.11. Structural Alterations, Additions, Improvements and Repairs of Units.

6.11.1. Except as otherwise provided in the Declaration, no Unit Owners, shall make any structural alteration, addition, improvement or repair in or to his Unit without the prior written approval of the Board of Managers which approval shall not be unreasonably withheld, and any such alteration, addition or improvement by such Unit Owner can not result in his Unit being subdivided into separate Units, except Sponsor or its successor. Non-structural alterations and any interior decorating which do not affect the Building systems may be performed without the Board's prior approval. The Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural alteration, addition, improvement or repair in or to such Unit Owner's Unit within 30 days after such request is received, and the failure to do so within the stipulated time shall constitute the Board's consent to the proposed alteration, addition, improvement or repair. Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, the Board may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. All Unit Owners will be required to obtain their own individual work permits and file separate alteration applications with the appropriate authorities, prior to the commencement of any alterations being performed in their Unit. Such Unit Owners shall be responsible for the cost and expense of obtaining all required sign offs from the appropriate governmental authorities in connection with any open building permits or alteration applications filed for the Unit. The provisions of this subparagraph shall not apply to Sponsor or its successor so long as there are any Unsold Units.

6.11.2. All structural alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any structural alteration, addition, improvement or repair shall agree, and shall be deemed to have agreed, to hold the Board and all other Unit Owners harmless from any liability arising therefrom.

6.11.3. Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration,

addition, improvement or repair in or to any Unit so approved by the Board shall be executed by the Board, provided that the Board shall not incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, material man, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom.

6.12. Alterations, Additions or Improvements to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions or improvements in or to any Common Element shall be made either by the Board or Unit Owner required to maintain such Common Element and the cost and expense thereof shall be charged either to all Unit Owners as a Common Expense or to the Unit Owner responsible therefor, as the case may be. Whenever in the judgment of the Board the cost of any such alteration, addition or improvement would exceed $350,000 in the aggregate in any calendar year, then such proposed alteration, addition or improvement shall not be made unless first approved by a Majority-in-Interest of the Unit Owners who shall be required to bear the cost and expense thereof as aforesaid and by the Mortgage Representatives (as hereinafter defined), if any. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions or improvements costing in the aggregate $350,000 or less in any calendar year may be made as aforesaid without the approval of the Unit Owners or said Mortgage Representatives.

6.13. Alteration of Certain Common Elements.

6.13.1. In the event that pursuant to any of the provisions of these By-Laws, any consent by the Board or any Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (collectively sometimes referred to in this Section 6.13 as an "Alteration"), proposed to be made by Sponsor or its designee, or the Board (collectively sometimes referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by Sponsor or the Board (referred to in this Section 6.13 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Alteration. If the Opposing Party does not give notice of any objection to the Proponent within twenty (20) days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Alteration. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Opposing Party) within such 20-day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Alteration to be paid by it and (ii) that all costs and expenses for maintaining and repairing such Alteration after its completion will not be charged to the Opposing Party, (b) the proposed Alteration would not unreasonably or unnecessarily interfere with the use and enjoyment of the owners, tenants and occupants of those Units affected by the Alteration and (c) the proposed Alteration would not materially weaken the structure of the Building.

6.13.2. Nothing contained in subsection 6.13.1 hereof shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as the Proponent believes will meet the objections of the Opposing Party or of any arbitrator or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Opposing Party's approval.

6.13.3. No alteration may be made to any Terrace without the consent of the Board.

6.14. Restrictions on Use of Units.

6.14.1. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

6.14.1.1. Each Unit shall be used only as set forth in this Section 6.14, Unit may be owned by an individual, corporation, partnership, limited liability company, fiduciary or any other legal entity and may only be occupied by (i) the individual Unit Owner (or members of his family or guests), (ii) an officer, director, stockholder or employee of such corporation (or members of his family or guests), (iii) a partner or employee of such partnership (or members of his family or guests), (iv) a member or employee of such limited liability company (or members of his family or guest), (v) the fiduciary or beneficiary of such fiduciary (or members of his family or guests) or (vi) a principal or employee of such other entity (or members of his family or guests), as the case may be. Unless otherwise consented to by the Board, occupants of a leased Unit must be (i) an individual lessee (or members of his family or guests), (ii) an officer, director, stockholder or employee of a corporate lessee (or members of his family or guests), (iii) a partner or employee of a partnership lessee (or members of his family or guests), (iv) a member or employee of a limited liability company lessee (or members of his family or guest), (v) a fiduciary or beneficiary of a fiduciary lessee (or members of his family or guests) or (vi) a principal or employee of such other entity which is a lessee (or members of his family or guests). "Members of his family" or words of similar import whenever used herein shall be deemed to mean spouse, domestic partner, parents, parents-in-law, brothers, sisters, children and grandchildren and nothing contained herein shall be deemed to prohibit the exclusive occupancy of any Unit by such family members or guests. Notwithstanding the foregoing, the Board may consent to occupancy of a Unit by persons other than those set forth above.

6.14.1.2. The Units may be used for dwelling or commercial purposes, as the case may be, which must conform to the terms and conditions of the then existing certificate of occupancy for the Building and applicable federal, state and local governmental and municipal laws, rules and regulations.

6.14.1.3. No portion of a Unit (other than the entire Unit) may be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this subsection

6.14.1) may be accommodated therein without the prior consent of the Board, which consent may be withheld in accordance with the absolute discretion of the Board.

6.14.1.4. Notwithstanding the provisions of subsection 6.14.1 hereof, Sponsor may, without the permission of the Board (a) grant permission for the use of any Unsold Unit as a professional office or for any other purpose provided such use is permitted by law, does not violate the then existing certificate of occupancy for such Unit and the user of such Unit complies with all applicable governmental regulations; and (b) use any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations.

6.15. Use of Common Elements.

6.15.1. Subject to the provisions of subsection 6.15.4 hereof, Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.2. No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other part of the Common Elements without the prior consent of the Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3. Unit Owners shall require their tradesmen to utilize the Building entrance in a manner consistent with the rules and regulations of the Condominium.

6.15.4. The provisions of subsection 6.15.1, .2 and .3 hereof shall not apply to Sponsor or its successor so long as there are any Unsold Units, provided, however, that no such party shall use such Common Elements in such a manner as will unreasonably interfere with the use of the other Units for their permitted purposes.

6.15.5. The Terraces shall be used by the Unit Owners in accordance with the provisions of applicable law. Terraces may be used for passive recreational use only (*e.g.* walking, reading and quiet personal enjoyment) and may not be used for any commercial purpose.

6.16. Other Provisions as to Use. No nuisance shall be allowed on the Property, nor shall any use or practice be allowed which is a source of annoyance to its residents or occupants or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive or unlawful use shall be made of the Property or any portion thereof and all valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the full expense of the respective Unit Owners or the Board, whoever shall have the obligation to maintain or repair such part of the Property.

6.17. Right of Access.

6.17.1. Each Unit Owner shall grant a right of access to his Unit and/or Terrace to the Board, the managing agent, manager, superintendent and/or any other person authorized by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property, or for the purpose of curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in his Unit or Terrace and threatening another Unit or Terrace or all or any part of the Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the Common Elements within his Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the Common Elements, his Unit or Terrace or any other Unit or Terrace in the Building or to correct any condition which violates the provisions of any Permitted Mortgage covering another Unit, provided that requests for such entry are made not less than one day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Units or Terraces for their permitted purposes. In case of an emergency (*i.e.* a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building), such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

6.17.2. A Unit Owner shall grant a right of access to his Unit or Terrace, and the Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees, for the purposes of fulfilling Sponsor's obligations as set forth in the Offering Plan, provided that access thereto shall be exercised in such a manner as will not unreasonably interfere with the use of the Unit or the Terrace for its permitted purposes.

6.18. Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations ("Rules and Regulations of 30 East 37th Street Condominium") concerning the use of the Units, the Terraces and Common Elements. The Board may from time to time modify, amend or add to such Rules and Regulations except that a majority of Unit Owners may overrule the Board with respect to any such modification, amendment or addition. Copies of any newly adopted, or any modifications, amendments or additions to the Rules and Regulations shall be furnished by the Board to each Unit Owner not less than 30 days prior to the effective date thereof.

6.19. Real Estate Taxes, Water Charges and Sewer Rents. Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the City Collector, the Board shall promptly pay such taxes, charges and rents as a Common Expense, and the Unit Owners shall be required to reimburse the Board, as a Common Charge, for their proportionate share of such taxes, charges and rents. In the event of a proposed sale of any Unit, the Board (so long as the Board is still paying such real estate taxes, water charges and sewer rents), on request of the selling Unit Owner, shall execute and deliver

to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit.

6.20. Gas. The costs for gas used in the Units and the cost attributable to the common areas, if any, shall be paid by the Condominium Board as a Common Expense.

6.21. Electricity. Electricity shall be supplied to the Condominium through one or more electrical meters and that the cost thereof shall be borne by each Unit Owner. Each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit either to the Condominium or to the utility company as directed by the Condominium.

6.22. Utilities Serving the Common Elements. The cost and expense of water and electricity serving or benefitting any Common Element shall (a) be considered part of the expense of maintaining such Common Element, (b) be determined by the Board, and (c) be charged to the Unit Owners as a Common Expense. Any disputes as to the apportionment of such cost or expense shall be determined by arbitration.

6.23. Abatement and Enjoinment of Violations by Unit Owners.

6.23.1. The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to such other rights set forth in these By-Laws, to (a) enter any Unit or Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Board shall not thereby be deemed guilty or liable in any matter of trespass, or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

6.23.2. The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Sponsor or its designee shall give to Sponsor and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings either at law or in equity, the continuance of any such violation or breach.

6.24. Vault Charges. All license fees, and all periodic taxes and charges, for vaults or other protrusions beyond the building line, if any, shall be paid by the Board and charged to the Unit Owners as a Common Expense.

ARTICLE 7

MORTGAGES

7.1 Permitted Mortgagees. As used herein the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") encumbering a Unit or Units which is permitted to be placed thereon pursuant to Article 8 hereof. As more fully set forth in said Article 8, each Unit Owner may mortgage his Unit to a bank, trust company, insurance company, savings and loan association or any institutional or non-institutional lender, including, without limitation, the seller of a Unit, as a Permitted Mortgagee, provided that (a) the mortgage be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan, (b) the Condominium Board is notified in writing of the making of such mortgage and (c) the owner making such mortgage first satisfies all unpaid liens against his Unit, other than Permitted Mortgages.

7.2 . Notice to Condominium Board. A Unit Owner who mortgages his Unit or the holder of such mortgage shall notify the Board of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Board. A Unit Owner who satisfies a mortgage covering his Unit shall so notify the Board and shall file a conformed copy of the satisfaction of mortgage with the Board. The Board shall maintain such information in a book entitled "Mortgages of Units."

7.3. Notice of Default and Unpaid Common Charges. Whenever so requested in writing by a Permitted Mortgagee, the Board shall promptly report to such Permitted Mortgagee any default in the payment of Common Charges or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws which may to the Board's knowledge then exist. The Board, when giving notice to a Unit Owner of any such default, shall, if requested, also send a copy of such notice to any Permitted Mortgagee thereof.

7.4. Performance by Permitted Mortgagees. The Board shall accept payment of any sum or performance of any act by any Permitted Mortgagee of a Unit Owner required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner.

7.5. Examination of Books. The Board shall keep detailed, accurate records, in chronological order, of the receipts and expenditures arising from the operation of the property. Such records and the vouchers authorizing the payments shall be available for examination by the Unit Owners at convenient weekday hours. A written report summarizing such receipts and expenditures shall be rendered by the Board to all Unit Owners at least once annually.

7.6. Representatives of Mortgagees.

7.6.1. In the manner more particularly set forth in subsection 7.5.2 hereof, the holders of Institutional Mortgages (as hereinafter defined) may, at their election, designate one or more (but not more than three) representatives ("Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Mortgages with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Mortgage Representatives are so designated and notice thereof is given to the Board, the act of any such representative (or a majority of such representatives if more than one is so designated) shall be deemed binding upon the holders of all Institutional Mortgages. As used herein, the term "Institutional Mortgage" means any first mortgage covering a Unit or Units (a) which is a Permitted Mortgage, and (b) the initial holder of which is (i) a savings bank, savings and loan association, bank or trust company, 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.

7.6.2. Any designation of a Mortgage Representative made by the holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages shall be binding upon the holders of all Institutional Mortgages. Any such designation of any Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof and (b) notice of such subsequent designation is given to the Board. Unless otherwise permitted by law, all Permitted Mortgagees other than holders of an Institutional Mortgage, shall have no right to participate in the selection of Mortgage Representatives, but shall be subject to all determinations made by such Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.7. Consent of Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to the 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.

ARTICLE 8

SELLING, LEASING AND MORTGAGING OF UNITS

8.1. Selling and Leasing. No Unit Owner other than Sponsor or its successor may sell or lease his Unit except by complying with the following provision:

8.1.1. Any Unit Owner who receives a *bona fide* offer to (a) purchase his Unit together with its appurtenant interests in the Common Elements or (b) lease his Unit (such offer to purchase or lease a Unit, as the case may be, is called an "Bona Fide Offer," the party making any such Bona Fide Offer is called a "Bona Fide Offeror" and the Unit Owner to whom the Bona Fide Offer is made

is called an "Offeree Unit Owner"), which he intends to accept shall give notice in writing and shall be deemed to have been given if delivered personally or sent by certified or registered mail, return receipt requested, to the Board of the receipt of such Bona Fide Offer. Said notice shall also state the name and address of the Bona Fide Offeror, the terms of the proposed transaction as set forth in an executed contract of sale or lease (which is made subject to approval by the Condominium Board) made with the prospective purchaser or lessee and such other information as the Board may reasonably require. The giving of such notice to the Board shall constitute an offer by such Unit Owner to sell his Unit together with its appurtenant interest in the Common Elements or to lease his Unit to the Board, or its designee, corporate or otherwise, on behalf of all other Unit Owners, upon the same terms and conditions as contained in such Bona Fide Offer and shall also constitute a representation and warranty by the Unit Owner who has received such Bona Fide Offer, to the Board on behalf of all Unit Owners, that such Unit Owner believes the Bona Fide Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Board may reasonably request. Not later than twenty (20) days after receipt of such notice together with such further information as may have been requested, the Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by delivering personally or sending certified or registered mail, return receipt requested, to purchase such Unit together with its appurtenant interests in the Common Elements or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Unit Owners, upon the same terms and conditions as contained in the Bona Fide Offer and as stated in the notice from the Offeree Unit Owner.

8.1.2. In the event the Board shall timely elect to purchase such Unit together with its appurtenant interests in the Common Elements or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Board, in accordance with the terms of the Bona Fide Offer, within forty-five (45) days after the giving of notice by the Board of its election to accept such offer. If, pursuant to such Bona Fide Offer to purchase said Unit, the Bona Fide Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, and assume or take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit together with its appurtenant interests in the Common Elements is to be sold, shall convey the same to the Board, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of such Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Board, or its designee, corporate or otherwise, as of the closing date. In the event such Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board, or to its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Board, or its designee, corporate or otherwise, as tenant, covering such Unit, for the rental and term contained in such Bona Fide Offer.

8.1.3. In the event the Board or its designee shall fail to accept such offer within 20 days after receipt of notice as aforesaid, said contract of sale or lease, as the case may be, shall be deemed approved by the Condominium Board. In the event the sale or lease pursuant to the said contract of sale or lease is not consummated for any reason, then, should such Offeree Unit Owner thereafter elect to sell or lease such Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1.

8.1.4. Any deed to a Bona Fide Offer or shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

8.1.5. Any lease executed in connection with the acceptance of any Bona Fide Offer to lease a Unit shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the Board, that the tenant shall not assign his interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board and that 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 (i) a default by the tenant in the performance of its obligations under such lease or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1.6. Except as hereinbefore set forth, the form of any such lease executed by the Board or a Bona Fide Offer or shall be the then current form of condominium apartment, store or office lease recommended by The Real Estate Board of New York, Inc., and shall contain such other modifications as shall be approved in writing by the Board. Any lease executed by the Board as tenant shall provide that the Board may enter into a sublease of the premises without the consent of the landlord.

8.1.7. Any purported sale or lease of a Unit in violation of this Section 8.1 shall be voidable at the election of the Board and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Unit Owner as the purported landlord. Said Unit Owner shall reimburse the Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.1.8. The foregoing restrictions of this Section 8.1 shall not apply to Unsold Units. Sponsor or its successor shall have the right to freely sell Unsold Units or to freely lease all or any part thereof without having to first offer the same for sale or lease to the Board.

8.2. Consent of Unit Owners for Condominium Board to Purchase or Lease of Units by Condominium Board. The Board shall not exercise any option herein above set forth to purchase or lease any Unit without the prior approval of 75 percent in number of the members of the

Condominium Board. Further, no Unit acquired by the Condominium Board or its designee pursuant to this Article 8 shall carry voting rights as long as such Unit is so held.

8.3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein its appurtenant interests in the Common Elements, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant interests in the Common Elements 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 in the Common Elements of all Units. Nothing in this Section 8.3 shall permit the lease of any Unit without the simultaneous lease of its appurtenant interests.

8.4. Release by Condominium Board of Right of First Refusal. The right of first refusal contained in Section 8.1 may be released or waived by the Board only in the manner provided in Section 8.5. In the event the Board shall release or waive its right of first refusal as to any Unit, such Unit may be sold, conveyed or leased, free and clear of the provisions of Section 8.1.

8.5. Certificate of Termination of Right of First Refusal. A certificate executed and acknowledged by the Secretary of the Condominium stating that the provisions of Section 8.1 have been met by a Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Board, and that as a result thereof the rights of the Board thereunder have terminated, shall be conclusive upon the Board and the Unit Owners in favor of all persons who rely on such certificate in good faith. The Board shall furnish, without charge, such certificate upon request to any Unit Owner with respect to whom the provisions of Section 8.1 have, in fact, terminated.

8.6. Financing of Purchase of Units by Condominium Board. The purchase of any Unit by the Board or its designee, on behalf of all Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Board may levy an assessment against each Unit Owner, in proportion to his respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Unit, provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements.

8.7. Exceptions. The provisions of Section 8.1 shall not apply with respect to any lease, sale or conveyance of any Unit by (a) the Unit Owner thereof to his spouse, domestic partner, adult children, parents, parents-in-law, adult siblings or to any one or more of them or to any related or controlled entity of the Unit Owner thereof, (b) Sponsor or its successor with respect to Unsold Units, (c) the Board, (d) any proper officer conducting the sale of a Unit in connection with the

foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure, or (e) a Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his 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 subject to, the provisions of this Article 8.

The term "related or controlled entity" shall mean an entity which owns more than 50 percent of the legal and beneficial interest of such Unit Owner, or an entity with respect to which such Unit Owner owns more than fifty (50%) percent of the legal and beneficial interest thereof.

8.8. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift, or may devise his Unit by will or have his Unit pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the provisions of this Article 8.

8.9. Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. In the event that any Unit shall be acquired by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired unit and the entire Property as herein provided.

8.10. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease his Unit unless and until he shall have paid in full to the Board all unpaid Common Charges theretofore assessed against such Unit and until such Unit Owner shall have satisfied all unpaid liens against his Unit, other than Permitted Mortgages.

8.11. Mortgage of Units. Subject to Article 7 and Section 8.10 hereof, each Unit Owner shall have the right to mortgage his Unit without restriction, provided that any such mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional or non-institutional lender to make the mortgage loan and the Board is notified in writing of the making of such mortgage.

ARTICLE 9

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the Common Elements, the Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by the Board. The award made for any such taking shall be payable to the Board, provided, however, that if any such award exceeds $1,000,000, such award shall be payable to the Insurance Trustee and shall be disbursed to the

contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed, the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be borne and shared by all Unit Owners to the extent that the taking involves the Common Elements shared by all of the Unit Owners in accordance with their respective Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that seventy-give (75%) percent or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of the Common Elements, such repairs or restorations shall not be made and the proceeds of any such award with respect thereto will be divided among the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not Permitted Mortgages. As used in this Article 9, the words "promptly resolve" shall mean not more than sixty (60) days from the date of such taking.

ARTICLE 10

RECORDS AND AUDITS

10.1. Records. The Board or the managing agent thereof shall keep detailed records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Unit Owners and financial records and books of account with respect to the activities of the Board, including a listing of all receipts and expenditures. In addition, the Board shall keep a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2. Audits. Within four months after the end of each fiscal year, an annual report of receipts and expenditures prepared by an independent certified public accountant, shall be submitted by the Board to all Unit Owners and if so requested, to any Permitted Mortgagee. The cost of such report submitted by the Board shall be paid by the Unit Owners as a Common Expense.

10.3. Availability of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as 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.

ARTICLE 11

ARBITRATION

11.1. General Procedure. Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in the Borough of Manhattan by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association shall not then be in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any Justice of the highest court of appellate jurisdiction located in the County of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his appointment. All expenses of arbitration hereunder, including the fees and expenses of counsel and experts, shall be Common Expenses. Any arbitrator appointed or selected in connection with any arbitration hereunder shall be a member of a law firm whose principal office is in the Borough of Manhattan and which has at least five (5) members.

11.2. Agreement by Parties. The parties to any dispute required or permitted to be submitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 11.1 hereof with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

ARTICLE 12

MISCELLANEOUS

12.1. Waiver. No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

12.2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision hereof.

12.3. Certain References.

12.3.1. A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

12.3.2. The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used.

12.3.3. Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.4. Severability. Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law. In the event any provision of these By-Laws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5. Insurance Trustee. The Insurance Trustee shall be a bank or trust company designated by the Board and having a capital surplus and undivided profits of $10,000,000 or more. Any holder of Institutional Mortgage liens (as further qualified by this Section 12.5) on more than three (3) Units shall have the right to require the Board to appoint such Institutional Mortgagee as Insurance Trustee. In the event the Insurance Trustee resigns or is replaced by the Board, the Board shall appoint a new Insurance Trustee which shall be a bank or trust company having a capital surplus and undivided profits of $10,000,000 or more. The Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense.

12.6. Successors and Assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or, with the consent of Sponsor, upon any transferee of all then Unsold Units.

12.7. Covenant of Further Assurances.

12.7.1. Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.7.2. If any Unit Owner or other party which is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses within ten (10) days after request therefor, to take any action which such Unit Owner or party 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 party, coupled with an interest, to execute,

acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

12.7.3. If the Board, any Unit Owner or other party which is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which the Board, such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor, then Sponsor is hereby authorized, as attorney-in-fact for the Board, such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board, such Unit Owner or other party and such document or action shall be binding on such Unit Owner, Board or other party.

ARTICLE 13

AMENDMENTS TO BY-LAWS

13.1. Amendments by Unit Owners. Subject to the provisions contained herein or in the Declaration with respect to amendments affecting Sponsor or its successor or any Unsold Units, any provision of these By-Laws may be amended, modified, added to or restated by affirmative vote of at least 55 percent in number and in Common Interest of all Unit Owners, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners affected thereby. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee or any Unsold Unit, any such amendment, modification, addition or deletion shall be executed by the Board, as attorney-in-fact for the Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Sponsor or its designee or any Unsold Units, (i) no amendment, modification, addition or deletion pursuant to the provisions set forth above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any, and (ii) the provisions of Section 6.14 hereof may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, as set forth above) 75 percent in number and in Common Interest of all Unit Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

13.2. Amendments Affecting Sponsor or Unsold Units Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way against (a) Sponsor or its successor or any Unsold Unit unless Sponsor has given its prior written consent thereto or (b) the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto.

13.3. Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or Sections 6.2, 6.4.2 or 8.7 (d) or (e) hereof shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto.

SCHEDULE A

RULES AND REGULATIONS
OF
30 EAST 37TH STREET CONDOMINIUM

1. Subject to the rights of Unit Owners with respect to those Common Elements reserved for the exclusive or shared use, 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 other purpose than ingress to and egress from the Units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the halls or on any of the staircase or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows, roofs or placed upon the window sills of the Building.

3. Subject to the rights of Unit Owners with respect to those Common Elements reserved for the exclusive or shared use, neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or on the public roof deck of the Building.

4. Except as otherwise provided in the By-Laws, no public hall or public elevators of the Building shall be decorated or furnished by any Unit Owner in any manner. Except as otherwise provided in the By-Laws, the style, finish and hardware of the exterior side of the corridor doors shall not be altered.

5. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

6. Other than as required by law, 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 thereof, which approval shall not be unreasonably withheld or delayed.

7. No radio, television aerial or satellite dishes shall be attached to or hung from the exterior of the Building and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the Building except such as are permitted pursuant to the Declaration or By-Laws or shall have been approved in writing by the Board or the managing agent thereof; nor shall anything be projected from any window of a Unit without similar approval.

8. No ventilator, window screens or air conditioning device shall be installed in any Unit without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

9. 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 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 in such Unit Owner's Unit.

10. No baby carriages, shopping carts, bicycles, scooter and luggage shall be allowed to stand in the public halls, passageways or other public areas of the Building. The aforementioned items shall be allowed in the elevator only in such a manner so as not to cause damage to the Building. Motorcycles, velocipedes or any similar vehicles which require any petroleum motor fuel are strictly prohibited from the Building. The use of roller blades and skateboards in the Building is prohibited.

11. No Unit Owner shall make or permit any disturbing noises or activity in the Building, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph or radio or television set or other loud speaker in such Unit Owner's Unit between 10:00 P.M. and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 8:00 A.M. Construction, repair work or other installation involving noise shall be conducted only on weekdays (Monday through Friday, 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.

12. Unit Owners shall have the right to keep and harbor pets in their Units; however, such Unit Owner's right shall be subject to the Board's right to revoke such Unit Owner's right at any time in its sole discretion. Notwithstanding the provisions of the immediately preceding sentence, certain tenants in the Building who have Units leased from Sponsor, shall be granted the right to keep and harbor pets in the Building by act of the Board at its first duly convened meeting. In no event shall any bird, reptile or animal be permitted in the elevators of the Building, or in any of the public portions of the Building, unless carried in a cage or on leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Building or on the sidewalk or street adjacent to the Building.

13. Waterclosets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any waterclosets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

14. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent thereof out of the Building on any private business.

15. The agents of the Board or the Managing Agent thereof, and any contractor or workman authorized by the Board or the Managing Agent thereof, may enter any room, Unit at any reasonable hour of the day, on at least one (1) day's prior notice to the Unit Owner. Agents of the Board or Managing Agent shall also have the right to enter any unit at any time in the event of an emergency.

16. The Board or the managing agent thereof may retain a passkey to each Unit. If any lock is altered or a new lock is installed, including any elevator lock, the Board or the managing agent thereof 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 thereof, then the Board or such managing agent or their agents in an emergency, and when specifically authorized (by an officer of the Condominium or an officer of the managing agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care is given to such Unit Owner's property).

17. No vehicle belonging to a Unit Owner or to a member of the family or guest, tenant or employee of a Unit Owner shall be left unattended on any sidewalk surrounding the Building or in such manner as to impede or prevent ready access to any entrance to or exit from the Building by another vehicle.

18. The Board or the managing agent thereof may from time to time curtail or relocate any portion of the Common Elements devoted to service purposes in the Building.

19. Complaints regarding the service of the Condominium shall be made in writing to the Board or to the managing agent thereof.

20. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board.

21. Clothes and other articles shall not be dried or aired on the terraces of the Building or on any other public area of the Property.

22. Unit Owners shall not cause or permit any unusual or objectionable noises or odors to be produced upon or to emanate from their Units. Smoking is strictly prohibited in all Building Common Areas. Smoking shall not be prohibited on any private Terrace.

23. No Unit Owner or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

24. If any key or keys are entrusted by a Unit Owner or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the Condominium or of the managing agent thereof, 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 nor the managing agent thereof shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

25. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

26. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed in the Common Elements.

27. 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 its Managing Agent.

28. In the event that any Unit is used for home occupation purposes which are permitted by law, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

29. No Unit Owner shall install any plantings on any terrace or balcony without the prior written approval of the Condominium Board.

30. In the event that the Condominium Board receives complaints about noise emanating from any of the residential units the Board may request that, substantially all (which shall mean at least 50%) of the floor area be covered with carpeting or equally effective noise-reducing material (excepting areas similar to kitchens, pantries, bathrooms, maid's rooms, closets, and foyers in such type Unit and also excepting work areas).

31. All Unit Owners and/or tenants shall comply with all requirements of law and regulations of the Condominium regarding recycling of trash. All Unit Owners and/or tenants shall

separate their trash into "recyclable" and "non-recyclable" materials. The Condominium may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by Unit Owners and/or tenants for the disposal of designated recyclable materials, and the locations where designated recyclable materials shall be deposited. The Condominium may also establish other regulations regarding recycling of trash. Any costs incurred by the Condominium in the enforcement against Unit Owners and/or tenants of recycling requirements imposed by law or by the Condominium, including but not limited to, legal fees and fines or penalties imposed on the Condominium by any government agency, shall be payable by the Unit Owner and/or tenant and shall be deemed a fine under the By-Laws.

32. The Condominium Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Unit when, in the judgment of the Condominium Board, the Condominium Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium, or the preservation of good order therein, or the operation or maintenance of the Condominium, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Condominium. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Unit Owner or other occupant.

33. Except as permitted under the Declaration and the By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time nor for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

34. The use of radios (including stereos and boom boxes) are not permitted on the Terraces deck by any Unit Owner, their families, guests, servants, employees, agents, visitors or licensees.

35. No grilling, cooking or barbecuing shall be permitted by any Unit Owner, their families, guests, servants, employees, agents, visitors or licensees on any terraces.

36. The terraces shall be used for passive recreational use only *(i. e.* walking, reading and quiet personal enjoyment).

37. No Unit Owner may change the window treatments in his Unit without the prior approval of the Board of Managers.

38. All visitors must be announced. No non-residents who are not accompanied by a resident of the Building will be allowed into the Building without authorization from a resident. Unit Owners are required to register the names of regular or repeat domestic employees with the Board of Managers.

39. The Board of Managers must be notified prior to the commencement of any alteration work. Written approval must be obtained from the Board of Managers before alterations (other than painting, wallpapering and carpeting) may be made to a Unit. After plans have been approved, there is a time limit of four (4) months for the completion of the construction or renovation work unless the time limit is extended by the Board. After receiving written approval for the proposed alteration, and at least two (2) business days prior to the commencement of work, residents are required to inform the Managing Agent in writing of the nature and extent of the work, installation, or proposed repair, the number of personnel involved and the estimated time for completion. Unit Owners will also assume financial responsibility and will indemnify the Condominium for any damage done to any other Unit, or to any Common Element. Construction personnel may work only between the hours of 8:00 a.m. and 5:00 p.m. from Monday through Friday, excluding national holidays. Prior to the commencement of work, Unit Owners are required to provide certificates of insurance for all contractors and subcontractors, naming the condominium and the Managing Agents as additional insureds, as well as any required building permits.

40. No moving company will be permitted to enter the building without first providing the Managing Agent with a Certificate of Insurance.

41. Commercial film, video, and photographic shoots are prohibited in the Building.

EXHIBIT K

LOCAL LAW 70

LOCAL LAW 70

To amend the Administrative Code of the City of New York, in relation to the conversion of residential rental housing to cooperative or condominium ownership.

Be it enacted by the Council as follows:

Section 1. Legislative declaration. The council finds that the protection of the health, safety and welfare of persons within the City would reside in residential buildings being converted from rental status to cooperative or condominium ownership requires that such persons be informed of the physical condition of such buildings. The council further finds that for the health, safety and welfare of residents of the City and for the preservation and improvement of this substantial and increasing form of housing accommodation it is essential that funds be set aside for the purpose of making capital repairs, replacements and improvements to such buildings.

Section 2. Chapter fifty-one of the Administrative Code of the City of New York is amended by adding a new title YYYY to read as follows:

TITLE YYYY

COOPERATIVE AND CONDOMINIUM CONVERSIONS

YYYY51-1.0 Application.

The provisions of this title shall apply to conversions from rental to cooperative or condominium status of a building or a group of buildings or a development for which a plan must be filed with the state department of law pursuant to section three hundred fifty-two-eeee of the General Business Law.

YYYY51-2.0 Definitions.

As used in this title the following words shall mean:

a. "Building" - any building, group of buildings or development.

b. "Total Price."

(1) with respect to cooperative conversions, the number of all shares in the offering multiplied by the last price per share which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made:

(2) with respect to condominium conversions, the sum of the cost of all units in the offering at the last price which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made,

c. "Capital replacement" - a building-wide replacement of a major component of any of the following Systems.

(1) elevator;

(2) heating, ventilation and air conditioning;

(3) plumbing;

(4) wiring;

(5) windows;

or, a major structural replacement to the building, provided, however, that replacements made to cure code violations of record shall not be included.

d. "Offeror" - the offeror, his nominees, assignees and successors in interest.

YYYY51.-3.0 Establishing of reserve fund.

a. Within thirty days after the closing of a conversion pursuant to an offering plan the offeror shall establish and transfer to the cooperative corporation or condominium board of manager, a reserve fund to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such buildings. Such reserve funds shall be exclusive of any other funds required to be reserved under the plan or applicable law or regulation of the state attorney general, except a fund for capital repairs, replacements and improvements substantially similar in

purpose to and in an amount not less than the reserve fund mandated by this section. Such reserve funds also shall be exclusive of any working capital fund and shall not be subject to reduction for closing apportionments.

b. Such funds shall be established in an amount equal to either (i) three (3%) per cent of the total price or, (ii) (A) three (3%) per cent of the actual sales price of all cooperative shares or condominium units sold by the offeror at the time the plan is declared effective, provided, however, that if such amount is less than one (1%) per cent of the total price, then the fund shall be established as a minimum of one (1%) per cent of the total price; plus (B) supplemental contributions to be made by the offeror at a rate of three (3%) per cent of the actual sales price of cooperative share or cooperative share of condominium units for each unit or its allocable shares held by the offeror and sold to bona fide purchases subsequent to the effective date of the plan and within five (5) years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed three (3%) per cent of the total price and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than three (3%) per cent of the total price the shall pay the difference between the amount contributed and three (3%) per cent of the total price. Supplemental contributions shall be made within thirty (30) days of each sale.

c. The contributions required pursuant to this section may be made earlier or in amount greater than so provided. An offeror may claim and receive credit against the mandatory initial contribution to the reserve fund for the actual cost of capital replacements which he has begin after the plan is submitted for filing to the state department of law and before the plan is declared effective; provided, however, that any such replacements must be set forth in the plan together with their actual or estimated costs and further provided, that such credit shall not exceed the lesser of the actual cost of the capital replacements or one (1%) per cent of the total price.

d. Any building, construction of which was completed within three (3) years prior to the closing of a conversion pursuant to an offering plan, shall be exempt from the requirements of this section.

YYYY51-4.0 Report on status of reserve fund.

The cooperative corporation or condominium board of managers shall report to shareholders and unit owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund mandated by section YYYY51.3-0.

YYYY51.5.0 Posting of violations.

The offering, not later than the thirtieth day following the acceptance of a plan for filing by the sate department of law pursuant to section three hundred fifty-two-eeee of the General Business Law and until the closing of the conversion pursuant to such plans, shall post and maintain in a prominent place, accessible to all tenants in each building covered by the plan, a listing of all violations of record against such buildings as determined by the department of buildings and the department of housing preservation and development. All newly issued violations shall be posted within the forty-eight hours of their issuance and maintained as described above. The offeror may satisfy the requirements of this section by designating an agent on the premises with whom such listing shall be made available for inspection by the tenants.

YYYY5I-6.0 Report on condition of premises.

Where, pursuant to law or regulation of the state attorney general, an offeror is required to file a report with the state department of law describing the condition of the physical aspects of the premises to be converted and the surrounding neighborhood a copy of such report shall be submitted simultaneously to the commissioner of buildings.

YYYY5I-7.0 No waiver of rights.

Any provision purporting to waive the provisions of this title in any contract to purchase or agreement between an offeror and the cooperative corporation or the condominium board of managers pursuant to a conversion plan shall be void as against public policy.

YYYY5I-8.0 Criminal and civil penalties; enforcement.

a. Except as otherwise provided in subdivision b of this section, any person who knowingly violates or assists in the violation of any section of this title shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred nor more than one thousand dollars. Except as otherwise

provided in subdivision b o this section, any person who violates of assists in the violation of any section of this title shall be subject to a civil penalty of one hundred dollars per day per unit fo reach day that a building is not in compliance with the provisions of such sections; provided, however, that such civil penalty shall not exceed one thousand dollars per unit.

b. Any person who knowingly violates or assists in the violation of section YYYY5I-3.0 shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not more that two times the amount required to be reserved by section YYYY5I-3.0 which was not so reserved. Any person who violates or assists in the violation of section YYYY51-3.0 shall also be subject to a civil penalty of one thousand dollars per day for each day that the reserve fund required by section YYYY51-3.0 is not established; provided, however, that such civil penalty shall not exceed the amount required to be reserved pursuant to section YYYY5I-3.0.

c. In addition , any other action or proceeding in any court of competent jurisdiction that may be appropriate or necessary for the enforcement of the provisions of this title may be brought in the name of the City, including actions to secure permanent injunctions enjoining any acts or practices which constitute a violation of any provision of this title, mandating compliance with the provisions of this title or for such other relief as may be appropriate. In any such action or proceeding the City may apply to any court of competent jurisdiction, or to a judge or justice thereof, for a temporary restraining order or preliminary injunction enjoining and restraining all persons from violating any provision of this title, mandating compliance with the provisions of this title, or for such other relief as may be appropriate, until the hearing and determination of such action or proceeding and the entry of final judgement or order therein. The court, or judge or justice thereof, to whom such application is made, is hereby authorized, with or without notice, and to make such other or further orders of directions as may be necessary to render the same effectual. No undertaking shall be required as a condition of the granting or issuing of such order, or by reason thereof.

d. Nothing contained in this section shall impair any rights, remedies or causes of action accrued or accruing to purchasers of cooperative shares or condominium units.

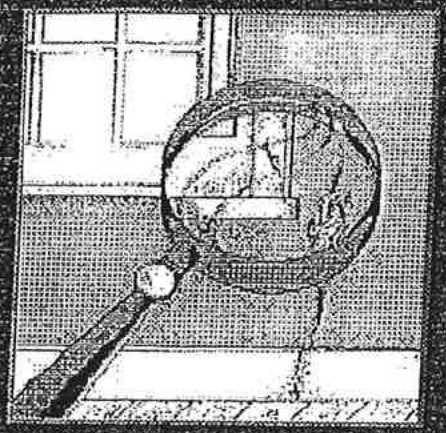
e. The department of housing preservation and development is empowered to enforce the provisions of this title.

Section 3. If any provision of this local law or the application of such provision or any person or circumstances shall be held invalid, the validity of the remainder of this local law and the applicability of such provision to any other person or circumstances shall not be affected thereby.

Section 4. This local law shall take effect February first nineteen hundred eighty-three and shall apply to all plans not yet accepted for filing by the state department of law pursuant to section three hundred fifty-two eeee of the General Business Law as of that date.

EXHIBIT L

LEAD LAW PAMPHLET



Protect Your Family From Lead in Your Home





EPA

United States Environmental Protection Agency

United States Consumer Product Safety Commission

U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207

EPA747-K-94-001
May 1995

Are You Planning To Buy, Rent, or Renovate 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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IMPORTANT!

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 bloodstream.

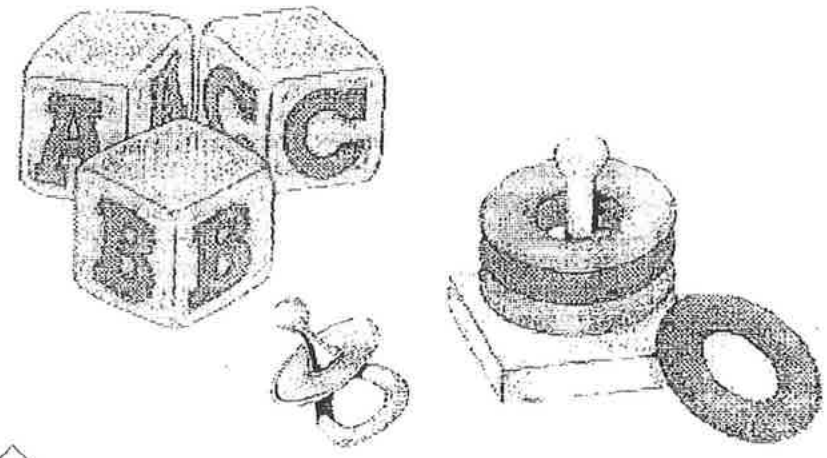
Even children who appear healthy can have dangerous levels of lead.

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 contains 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.



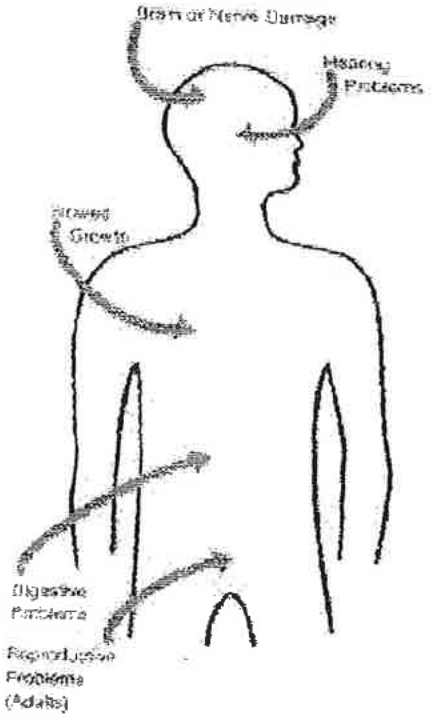
Lead's Effects

If not detected early, children with high levels of 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 home with cracking or peeling 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. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. 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.

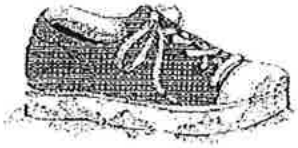
Lead-based paint may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear. These areas include:

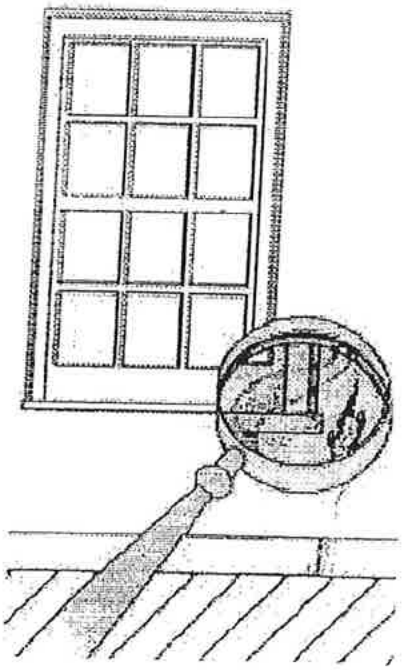
- Windows and window sills.
- Doors and door frames.
- Stairs, railings, and banisters.
- Porches and fences.

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 Hazards

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 recent studies suggest that they are not always accurate. Consumers should not rely on these tests before doing renovations or to assure safety.

What You Can Do Now To Protect Your Family

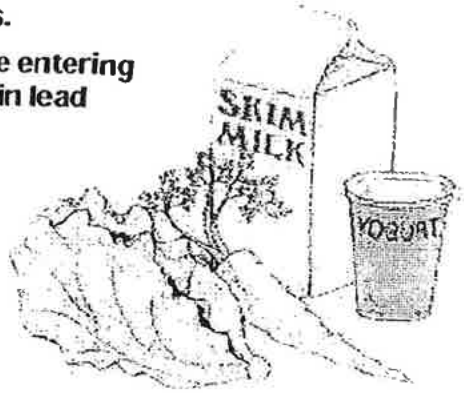
If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:



- **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 such as 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 need ongoing attention.
- 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

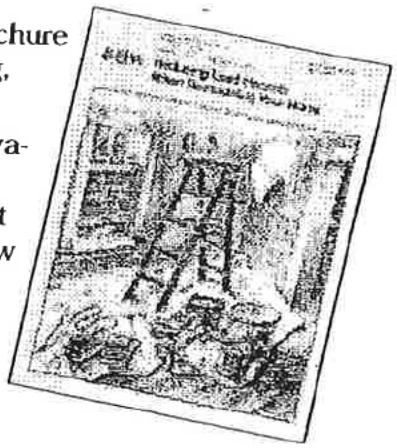
Take precautions before you begin remodeling or renovations that disturb painted surfaces (such as scraping off paint or tearing out walls):



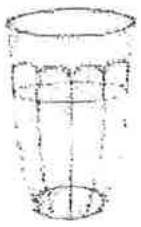
- **Have the area tested for lead-based paint.**
- **Do not use a dry scraper, belt-sander, propane torch, or heat gun** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **Temporarily move your family** (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 not conducted properly, certain types of renovations can release lead from paint and dust into the air.

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.



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**).

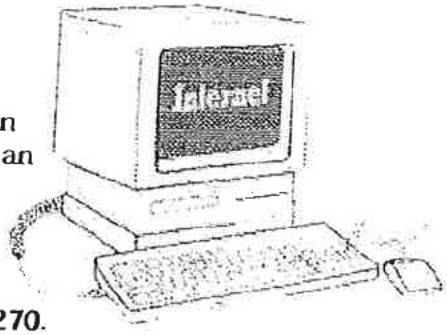


EPA's Safe Drinking Water Hotline

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 **TDD 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
Alabama	(205) 242-5661
Alaska	(907) 465-5152
Arkansas	(501) 661-2534
Arizona	(602) 542-7307
California	(510) 450-2424
Colorado	(303) 692-3012
Connecticut	(203) 566-5808
Washington, DC	(202) 727-9850
Delaware	(302) 739-4735
Florida	(904) 488-3385
Georgia	(404) 657-6514
Hawaii	(808) 832-5860
Idaho	(208) 332-5544
Illinois	(800) 545-2200
Indiana	(317) 382-6662
Iowa	(800) 972-2026
Kansas	(913) 296-0189
Kentucky	(502) 564-2154
Louisiana	(504) 765-0219
Massachusetts	(800) 532-9571
Maryland	(410) 631-3859
Maine	(207) 287-4311
Michigan	(517) 335-8885
Minnesota	(612) 627-5498
Mississippi	(601) 960-7463
Missouri	(314) 526-4911
Montana	(406) 444-3671
Nebraska	(402) 471-2451
Nevada	(702) 687-6615
New Hampshire	(603) 271-4507
New Jersey	(609) 633-2043
New Mexico	(505) 841-8024
New York	(800) 458-1158
North Carolina	(919) 715-3293
North Dakota	(701) 328-5188
Ohio	(614) 466-1450
Oklahoma	(405) 271-5220
Oregon	(503) 248-5240
Pennsylvania	(717) 782-2884
Rhode Island	(401) 277-3424
South Carolina	(803) 935-7945
South Dakota	(605) 773-3153
Tennessee	(615) 741-5683
Texas	(512) 834-6600
Utah	(801) 536-4000
Vermont	(802) 863-7231
Virginia	(800) 523-4019
Washington	(206) 753-2556
West Virginia	(304) 558-2981
Wisconsin	(608) 266-5885
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.

Recycled/Recyclable
Printed on paper that contains at least 20 percent postconsumer fiber.

EXHIBIT M

LEAD PAINT DISCLOSURE

DISCLOSURE OF INFORMATION ON
LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

Seller's Disclosure:

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) _ Known lead-based paint and/or lead-based paint hazards are present in the Unit (explain).

(ii)_ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the Unit, however, lead paint was often used in buildings constructed prior to 1978.

(b) Records and reports available to the Seller (check (i) or (ii) below):

(i) _ Seller has provided the Purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the Unit (list documents below).

(ii)_ Seller has no reports or records pertaining to lead-based paint and/or lead-based hazards in the Unit.

Purchaser's Acknowledgement (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 (i) or (ii) below):

(i) _ received a 10-day opportunity (or other 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

(ii)_ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint hazards.

Agent's Acknowledgement (Initial)

(f)_ Agent has informed the Seller of the Seller's obligation under 42 U.S.C. 4852d and is aware of Agent's independent 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 they have provided is true and accurate.

Seller	Date	Purchaser	Date
Seller	Date	Purchaser	Date
Agent	Date	Agent	Date

EXHIBIT N

CERTIFICATIONS

SPONSOR'S CERTIFICATION

New York State Department of Law
Investment Protection Bureau
120 Broadway
New York, New York 10271
Attention: Real Estate Financing Section

Re: 30 East 37th Street
New York, New York

Gentlemen:

We are the sponsor and the principals of the sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 23 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 following 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 representations or statement made.

This certification is made under the penalty of perjury for the benefit of all persons to whom this offer is made. We understand the violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Hampton Associates LLC

By: _____
Robert J. Goldfein,
Managing Member

_____
Robert J. Goldfein

_____
Doris G. Cohen

Roanne P. Goldfein 1996 Trust

By: _____
Stanley F. Goldfein, Trustee

Myles S. Goldfein 1996 Trust

By: _____
Stanley F. Goldfein, Trustee

Sworn to before me this
10th day of June, 2006

_____
Notary Public

SOFIA S. TSYTSAREV
Notary Public, State of New York
No. 02TS6117605
Qualified in Nassau
Commission Expires Nov 01 2008

This certification is made under the penalty of perjury for the benefit of all persons to whom this offer is made. We understand the violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Hampton Associates LLC

By:_____
Robert J. Goldfein,
Managing Member

_____
Robert J. Goldfein

_____
Doris G. Cohen

Roanne P. Goldfein 1996 Trust

By:_____
Stanley F. Goldfein, Trustee

Myles S. Goldfein 1996 Trust

By:_____
Stanley F. Goldfein, Trustee

Sworn to before me this
11th day of FEBRUARY, 2006

_____
Notary Public



CERTIFICATION OF SPONSOR'S ARCHITECT

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

Re: 30 East 37th Street
New York, New York

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm, Howard B. Spivak Architect P.C., to prepare a report describing the physical condition of the property (the "Report"). Our firm prepared the report dated February 8, 2006, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely upon it.

We are registered architects in the State in which the property is located.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as of the date of our last inspection on February 16, 2006;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as of the date of our last inspection on February 7, 2006;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we;

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owed or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Howard B. Spivak Architect P.C.

By: _____
Howard B. Spivak

Sworn to before me this
1 day of February, 2006.

_____
Notary Public

SOFIA S. TSYTSAREV
Notary Public, State of New York
No. 02TS6117605
Qualified in Nassau
Commission Expires Nov 01 2008





BUCHBINDER
& WARREN LLC

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET PURSUANT TO SECTION 23.4 (d) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A AS AMENDED

February 16, 2006

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
Attn: Real Estate Financing Bureau

Re: 30 East 37th Street Condominium
30 East 37th Street
New York, New York

Buchbinder and Warren LLC hereby certifies as follows:

The sponsor of the Condominium Offering Plan for the above captioned property retained our firm to prepare Schedule B to the Offering Plan containing projections of income and expenses of Condominium operation for the fiscal year July 1, 2006 through June 30, 2007.

The principals of Buchbinder and Warren LLC have been engaged in the management of residential and commercial real estate since 1978. The principals have managed more than 100 buildings. The undersigned is a licensed Real Estate Broker in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to Schedule B.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential and mixed-use buildings.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses of the Condominium for the fiscal year July 1, 2006 through June 30, 2007.

One Union Square West · 4th Floor · New York, NY 10003
Tel 212-243-6722 · Fax 212-645-0985 · www.buchbinderwarren.com
Established in 1958 · Norman Buchbinder · Eugene Warren · Licensed Real Estate Brokers REBNY

We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial units:

(i) set forth in detail the projected common charges for the commercial units for the first full year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial unit(s);

(iii) do not omit any material facts;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances.

(vii) do not contain any representation or statement which is false, where we: (a) knew the truth: (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial units 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.

Buchbinder & Warren LLC

By:
Name: Rosemary Paparo
Title: Director of Management

Sworn to before me this
16 day of February, 2006

Jacqueline Pasternack
Notary Public

JACQUELINE PASTERNACK
Notary Public, State of New York
No. 01PA6006779
Qualified in Kings County
Commission Expires May 4, 2006