CONDOMINIUM OFFERING PLAN
FOR
374 MANHATTAN CONDOMINIUM
316 WEST 116TH STREET
NEW YORK, NEW YORK 10026

The Condominium will contain 14 Units all of which will be residential apartments. All Units are offered for sale under this Plan.

TOTAL AMOUNT OF OFFERING..... $10,566,860

SPONSOR AND SELLING AGENT

HARLEM INFIL LLC

c/o The Community Preservation Corporation
28 East 28th Street
New York, NY 10016

The approximate date of the first offering to the public is October 3, 2005.

This Plan may not be used after October 2, 2006, unless extended by amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE (iv).

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

TABLE OF CONTENTS

Section			Page
SPECIAL RISKS			iv
A.	INTRODUCTION		1
	1.	General	1
	2.	The Property	1
	3.	Features of Condominium Ownership	2
	4.	Offer to Sell	3
B.	DEFINITIONS		5
C.	DESCRIPTION OF PROPERTY AND IMPROVEMENTS		9
	1.	The Property	9
	2.	The Units	9
	3.	Common Elements	10
	4.	Services and Amenities	11
	5.	Security	12
D.	LOCATION AND AREA INFORMATION		13
E.	SCHEDULE A: OFFERING PRICES AND RELATED INFORMATION		15
F.	SCHEDULE B: PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION ANTICIPATED TO BEGIN JULY 1, 2005		19
SCHEDULE B-1 PROJECTED UTILITY COSTS FOR UNITS			26
G.	COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i		27
H.	CHANGES IN PRICES AND UNITS		28
	1.	Changes in Prices	28
	2.	Changes in Units	28
I.	PROCEDURE TO PURCHASE		30
J.	INTERIM LEASES AND USE AND OCCUPANCY AGREEMENTS		40
K.	EFFECTIVE DATE		41
L.	CLOSING OF TITLE TO UNITS		43
M.	CLOSING COSTS AND ADJUSTMENTS		48
	1.	Title Insurance	48
	2.	Recording Fees; Filing Fees	49
	3.	Transfer Taxes	49
	4.	Mansion Tax	51
	5.	Mortgage-Related Costs	51
	6.	Adjustments for Common Charges and Real Estate Taxes	52
	7.	Closing Counsel Fees	53
	8.	Working Capital Contribution	53
	9.	Professional Fees	54
	10.	Penalties for Delay	54

Page

11. Security Alarm Monitoring Charge 54
12. Sample Closing Costs. 54

N. RIGHTS AND OBLIGATIONS OF SPONSOR 56

1. Construction 56
2. Board of Managers 57
3. Offering and Sales Issues 58
4. Repair of Defects 59
5. Interim Leases and Use and Occupancy Agreements 61
6. Leasing and Use of Unsold Units 62

O. CONTROL BY SPONSOR 63

P. RIGHTS AND OBLIGATIONS OF UNIT OWNERS/SUMMARY OF BY-LAW PROVISIONS 65

Q. RIGHTS AND OBLIGATIONS OF BOARD OF MANAGERS/SUMMARY OF BY-LAW PROVISIONS 71

R. TAX STATUS OF CONDOMINIUM; INCOME TAX DEDUCTIONS TO UNIT OWNERS; REAL ESTATE TAXES 75

1. Tax Status of Condominium 75
2. Income Tax Deductions to Residential Unit Owners 76
3. Real Estate Taxes 77
4. Real Estate Tax Benefits 78

S. WORKING CAPITAL AND RESERVE FUND 82

1. Working Capital Fund 82
2. Reserve Fund 82

T. AGREEMENTS BINDING ON THE CONDOMINIUM 83

U. IDENTITY OF PARTIES 84

V. REPORTS TO UNIT OWNERS 87

W. DOCUMENTS ON FILE 88

X. GENERAL 89

Y. SPONSOR'S STATEMENT OF BUILDING CONDITION 90

PART II

1. ARCHITECT'S DESCRIPTION OF PROPERTY AND SPECIFICATIONS 92

- SITE PLAN 113
- CELLAR FLOOR PLAN 114
- FIRST FLOOR PLAN 115
- 2nd FLOOR PLAN 116
- 3rd FLOOR PLAN 117
- 4th FLOOR PLAN 118
- 5th FLOOR PLAN 119

Page

➢ PENTHOUSE FLOOR PLAN 120
➢ ROOF PLAN 121
➢ FORM ACP-5 (Asbestos Report) 122

2. FORM OF PURCHASE AGREEMENT 123

➢ LEAD PAMPHLET: PROTECT YOUR FAMILY FROM LEAD IN YOUR HOME 139

3. FORM OF INSPECTION STATEMENT 155

4. FORM OF POWER OF ATTORNEY 158

5. FORM OF UNIT DEED 162

6. DECLARATION OF CONDOMINIUM 171

7. CONDOMINIUM BY-LAWS 193

8. INITIAL RULES AND REGULATIONS OF THE CONDOMINIUM 248

9. REAL ESTATE TAX CONSULTANT'S OPINION RE TAX BENEFITS AND ASSESSED VALUE 252

10. OFFERING PLAN COUNSEL'S OPINIONS 258
A. Tax Aspects of Condominium 259
B. Compliance with Real Property Law Section 339-i 267

11. ESCROW AGREEMENT FOR CONTRACT DOWN PAYMENTS 268

12. FORM OF APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWN PAYMENTS 275

13. CERTIFICATIONS 279
A. Sponsor 280
B. Sponsor's Architect 282
C. Sponsor's Budget Expert 284

SPECIAL RISKS

Capitalized terms used in this section and not defined in this section shall have the meanings given in the "Definitions" section of this Offering Plan, found in Part I, Section B.

1. The Purchase Agreement that Purchaser shall be required to enter into for the purchase of a Unit will be contingent upon Purchaser obtaining, within thirty (30) days after receipt of a signed counterpart of the Purchase Agreement from Sponsor, a written commitment from an Institutional Lender to make a purchase money loan in the amount set forth in the Purchase Agreement. Sponsor makes no representation as to the availability of such financing. Purchasers should be aware that even if a loan commitment is issued to Purchaser, its term may be limited and it may expire before the Unit Closing Date unless extended by Purchaser. See Part I, Section I of the Plan entitled "Procedure to Purchase," for further information.

2. (a) The Board of Managers will consist of five (5) members appointed or elected by the Unit Owners. While Sponsor owns Units representing at least 25% in Common Interest, Sponsor may appoint a majority of the Board of Managers. However, after the earlier of conveyance of title to Units representing 76% in Common Interest, or the 5th annual anniversary of the First Unit Closing, Sponsor may not appoint a majority of the Board of Managers.

(b) While Sponsor owns (i) Units representing less than 25% but at least 10% in Common Interest, Sponsor may appoint two (2) members of the Board of Managers, and (ii) Units representing less than 10% in Common Interest but at least one Unit, Sponsor shall have the right but not the obligation to appoint one member of the Board of Managers.

(c) At all annual meetings of Unit Owners Sponsor shall have the right to vote for non-Sponsor Unit Owners nominated for election to the Board of Managers in accordance with Sponsor's ownership of Units and the number of votes attributable to such Units.

(d) The Board of Managers shall be restricted from taking certain actions without Sponsor's prior consent for a period of time ending at the sooner of five (5) years after the First Unit Closing or the date on which the Units owned by Sponsor comprise less than 25% in Common Interest. Owner-occupants and non-occupant Unit Owners, including Sponsor, may have conflicting positions on how the Condominium should be managed because of their different reasons for purchasing or owning Units. See Part I, Section O of the Plan entitled "Control By Sponsor," for additional information about the items discussed in this Paragraph 2.

3. As set forth in the Plan, Sponsor will pay all Common Charges for Units it owns (once Common Charges are assessed and collected as described in the Plan), as well as Special Assessments on Units that may be imposed by the Board of Managers for Units Sponsor owns, and real estate taxes attributable to Units Sponsor owns, while Sponsor owns these Units. Sponsor represents it has the financial resources to meet its obligation with respect to Units it owns and expects to fund its obligations from sales proceeds and/or reserves Sponsor maintains for these purposes. Purchasers are advised, however, that as is typical under offering plans for new condominium projects in New York City, no bond or other security will be posted by Sponsor to secure payment of these obligations. See Part I, Section N of the Plan entitled "Rights and Obligations of Sponsor" for further details.

4. Sponsor advises Purchasers it is Sponsor's unequivocal intention to sell all the Units at the Condominium and not to establish the Condominium as a rental apartment building. However, Sponsor, just as any other prudent developer of a new construction condominium project in New York City, reserves the right to explore the possibility of renting, and the right to actually rent, unsold Units in the event there is a significant decline in market conditions for newly constructed residential condominium units, preventing Sponsor from selling all Residential Units at prices in accordance with Sponsor's construction financing and within 10% of the offering prices as of the date the Plan is declared effective, within the two (2) year period after the Plan is accepted for filing. If Sponsor determines to rent Units after that 2-year period, as a result of such decline in the market, Sponsor will resume sales of vacated Units at (or, in Sponsor's sole judgment, before), such time as Sponsor is able to sell Units at prices in accordance with Sponsor's construction financing and within 10% of the offering prices as of the date the Plan was declared effective (adjusted pursuant to changes in the Consumer Price Index). The likelihood that Sponsor will consider renting is minimal, however, inasmuch as Units are anticipated to be sold promptly pursuant to a list of 224 preliminarily eligible purchasers created from a lottery conducted during the market test period granted to Sponsor pursuant to its application under Cooperative Policy Statement No. 1. See Part I, Section I of the Plan entitled "Procedure to Purchase," and Section N of the Plan entitled "Rights and Obligations of Sponsor" for further details.

5. Sponsor intends to apply to the City of New York for real estate tax benefits for the Property pursuant to Section 11-243 of the Administrative Code of the City of New York (formerly known as, and referred to in this Plan as "***Section J-51***"). As more fully discussed in the Notes to Schedule A and in Part I, Section R of the Plan, the application of Section J-51 benefits to the Property should result in no real estate taxes being payable with respect to the Property for approximately 16 years after completion of the Project. Although Sponsor is advised by Real Estate Tax Consultant that the Property should be eligible for and should be granted Section J-51a benefits once an application for same is filed, ***Sponsor makes no guaranty or warranty that J-51 benefits will be allocated to the Property*** and Sponsor shall have no liability if same are not allocated to the Property. Purchasers are advised to review the sections of the Plan referred to above, as well as Real Estate Tax Consultant's Opinion in Part II of the Plan, for a fuller understanding of the Section J-51 benefits.

6. Each Unit will be equipped with a laundry hook-up for a gas dryer and electric washer. However, Sponsor will not be providing such appliances and Unit Owners desiring same will be obligated to purchase and install same at Unit Owner's expense.

7. As shown on the floor plans of the Units in Part II of the Offering Plan, Units 1A, 1B, 1C and 1D, all of which are duplex apartments, contain a room at the cellar level of the Unit labeled "Recreation Room." Purchasers are advised that current provisions of applicable law prohibit legal use of that space as a bedroom, but permit same to be used as a recreation room.

8. **IRS Circular 230 Disclosure**: To ensure compliance with requirements imposed by the IRS, taxpayers are hereby informed that (i) this Offering Plan was not intended or written to be used, and it cannot be used, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this Offering Plan was written to support the promotion or marketing of the transaction(s) or matter(s) addressed in this Offering Plan; and (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

OFFERING PLAN

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374 MANHATTAN CONDOMINIUM

316 WEST 116TH STREET
NEW YORK, NEW YORK

PART I

A. INTRODUCTION

1. General

Harlem Infil LLC ("***Sponsor***") is a New York limited liability company. Sponsor presents this Offering Plan (the "***Plan***" or "***Offering Plan***") for the sale of Units in a condominium project called "374 Manhattan Condominium," being developed by Sponsor at 316 West 116th Street, New York, New York (the "***Project***").

The purpose of this Plan is to set forth all material terms of Sponsor's offer to sell the Units. Sponsor may amend the terms of this Offering Plan from time to time during the period of this offering. Any such change in terms will be effected through the filing by Sponsor of an amendment to this Plan with the New York State Department of Law ("***Department of Law***"). Promptly after an amendment's acceptance by the Department of Law, the amendment will be distributed to all parties who previously received a copy of the Offering Plan from Sponsor and have not yet signed a Purchase Agreement or have not yet closed on their purchase and to Unit Owners who purchased their Units from Sponsor.

This Plan is presented in two parts (both in this volume), which parts, together with any amendments to the Plan, constitute the entire Plan. Part I contains a general description of the offering and a summary of the basic documents used to purchase a Unit and to maintain and operate the Condominium. Part II contains forms of all such basic documents. Also included in Part II is a detailed description of the physical aspects of the Property, legal opinions as to certain tax matters discussed in the Plan, and certifications by Sponsor, its architect and its budget expert, as to the truth and accuracy of information in the Plan for which they are primarily responsible.

Prices for Units may be found on Schedule A which is contained in Part I, Section E of the Plan. Prices were set by Sponsor but were subject to review and approval by the New York City Department of Housing Preservation and Development ("***HPD***").

2. The Property

The land on which the Project is being constructed (the "***Land***") and the Buildings and all other improvements now or hereafter located on the Land, are referred to collectively in this Plan as the "***Property***." Sponsor acquired the Property in June 2003. At that time the Property comprised three contiguous lots, two of which were improved with vacant buildings, and the other one of which was a vacant lot. As more fully discussed below, the Project involves rehabilitation of the two existing buildings into a single combined structure and creation of a private garden in the area between the two wings of the combined Building.

The Property previously was owned by the City of New York. The Property was acquired by Sponsor subject to the terms and conditions of a Land Disposition Agreement dated June 24th 2003 between Harlem Infil Corp., Sponsor's predecessor in interest, and the City of New York acting by and through HPD (the "***LDA***"). The LDA contains certain conditions for development and sale of the Project.

When the Project is completed, the Property will be submitted and subject to the Condominium Act and thereafter will be known as the "***Condominium***" or the "Property." Once

submitted to the Condominium Act, the Property is expected to contain 14 Residential Units. The Condominium will be in compliance with the Condominium Act upon its establishment.

The Project involves rehabilitation of the two vacant buildings acquired by Sponsor into a single combined two-winged structure connected by a newly constructed central core area adjoining a private garden for residents. The newly constructed connecting core area contains the main entrance to the Project on 116th Street and an elevator serving the cellar floor through the top floor of the combined Building. However, although the two wings will be connected by this central core, as a result of the form in which the building plans were filed with the NYC Department of Buildings, upon completion, each wing will have its own certificate of occupancy.

In this Offering Plan, the term "***Building***" will be used to refer to the combined structure. When it is necessary to refer to the wings of the Building separately, the term "***Manhattan Building***" will refer to the portion of the Building with frontage on Manhattan Avenue and the term "***116th Street Building***" will refer to the portion of the Building with frontage on 116th Street. The Manhattan Building and the 116th Street Building are each six (6) stories in height and each will contain seven (7) Units when construction is complete, so the Building will contain a total of fourteen (14) Units. All Units will be residential dwellings.

Construction of the Project is anticipated to be substantially complete by July 1, 2005. An initial partial temporary certificate of occupancy is anticipated, but not warranted or guaranteed, to be received in or about June 2005.

3. Features of Condominium Ownership

An owner of a Condominium Unit owns title to that Unit and is entitled to exclusive possession of the Unit. Each Unit will be assessed as a separate tax lot for real estate tax purposes. A Unit Owner is privileged to mortgage the Unit or not, and in such amount as the Unit Owner chooses. Any one Unit is not subject to mortgages placed on any other Unit by another Unit Owner, and a Unit Owner will incur no liability if other Unit Owners fail to make payments on any mortgage affecting their Units.

The Condominium will be operated and run by a 5-person Board of Managers. Each Unit Owner will have the right to vote annually for the election of five (5) individuals to serve on the Board of Managers. The Board of Managers will govern the Condominium in accordance with its responsibilities under the Declaration, By-laws and Rules and Regulations of the Condominium.

The Board of Managers will be responsible for supervising the maintenance and operation of the Common Elements of the Property and managing the affairs of the Condominium, in accordance with the Declaration, By-laws, Rules and Regulations of the Condominium and applicable statutes. Each Unit Owner is obligated to comply with the provisions of the Declaration, By-laws, Rules and Regulations of the Condominium and requirements of the Board of Managers imposed or promulgated pursuant thereto.

A Unit Owner may sell or lease said Owner's Unit to anyone, subject to a right of first refusal held by the Board of Managers, and compliance with certain other requirements set forth in the By-laws of the Condominium.

The right of first refusal in connection with the sale of a Unit granted to the Board of Managers in the By-laws, provides the Board of Managers with the opportunity to purchase a Unit on the same terms and conditions as those contained in a signed contract of sale between a selling Unit Owner and a purchaser. While there are no limits in the By-laws as to whom a Unit Owner may sell a Unit (i.e., the By-laws do not mandate sales to occupant owners or prohibit sales to non-occupant owners), the Board of Managers has the authority to exercise its right of first refusal in connection with a particular sale for such reason as the Board in its discretion deems appropriate. If the Board were, for instance, to exercise its right of first refusal in connection with a proposed sale to a non-occupant purchaser and were the Board thereafter to sell the Unit to an Owner-occupant, the Board could thereby influence occupancy of the Building in favor of occupant Owners. Currently, the By-laws do not contain limits on the number of Unit Owners who may own for investment rather than personal occupancy and thus it is possible that at any given time in the operation of the Condominium there may be a substantial percentage of Unit Owners who do not reside in the Building. Sponsor makes no representation as to how the Board of Managers will choose to manage the Condominium in the future, or what the occupancy or ownership of the Condominium will be at any time.

A Unit Owner will be solely responsible for the maintenance and non-structural repair of Owner's Unit and any Limited Common Elements appurtenant thereto, and the Unit Owner may decorate the interior of the Unit as the Unit Owner desires. The cost of insurance for occurrences and personal property in a Unit and the Limited Common Elements appurtenant thereto, if any, shall be borne by the Owner of the particular Unit. The Board of Managers will maintain insurance covering the Common Elements of the Condominium.

Ownership of title to a Unit includes ownership of an undivided interest in all parts of the Property other than the Units themselves (*i.e.*, in the "Common Elements"), in common with all other Unit Owners. This undivided interest is referred to as the Unit Owner's "percentage of interest in the Common Elements" or "Common Interest."

Pursuant to Section 339-i(1)(iv) of the Condominium Act, the Common Interest allocated to each Unit is based upon the anticipated floor space of the Unit subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use (e.g., the inclusion of a private terrace, patio or yard appurtenant to the Unit), and the overall dimensions of the particular Unit.

The costs involved in maintaining and operating the General Common Elements (*i.e.*, those Common Elements serving or benefiting more than one Unit and/or Unit Owner) will be shared by all Unit Owners. The costs of maintaining the General Common Elements as well as the cost of insurance premiums for the Condominium and similar common expenses, are referred to as "Common Expenses." Common Expenses will be apportioned among the Unit Owners based upon Common Interest, as provided in the By-laws and as set forth and explained in the proposed operating budget contained in Part I, Section F of the Plan as Schedule B.

4. **Offer to Sell**

The Plan, including all schedules, amendments and Exhibits A, B, C and D (the "***Exhibits***") filed with the New York State Department of Law, constitutes the entire offer of the Sponsor. Any person interested in purchasing a Unit must apply at the Sales Office for an Offering Plan which may be obtained for a fee of $100, as more fully described in Part I, Section I of this Plan entitled "Procedure to Purchase." Copies of the Exhibits will be available for inspection by prospective purchasers at the

Sales Office whenever the Sales Office is open. If Purchaser requires a copy of any Exhibit, same will be provided at Purchaser's expense. All of the documents referred to in this Plan are important and should be reviewed carefully prior to purchase.

Sponsor advises Purchasers it is Sponsor's unequivocal intention to sell all the Units at the Condominium and not to establish the Condominium as a rental apartment building. However, Sponsor, just as any other prudent developer of a new construction condominium project in New York City or elsewhere, reserves the right to explore the possibility of renting, and the right to actually rent, unsold Units in the event there is a significant decline in market conditions for newly constructed residential condominium units, preventing Sponsor from selling all Units at prices in accordance with Sponsor's construction financing and within 10% of the offering prices as of the date the Plan is declared effective within the two (2) year period after the Plan is accepted for filing. If Sponsor determines to rent Units after that 2-year period as a result of such decline in the market, Sponsor will resume sales of vacated Units at (or, in Sponsor's sole judgment, before), such time as Sponsor is able to sell Units at prices in accordance with Sponsor's construction financing and within 10% of the offering prices as of the date the Plan was declared effective (adjusted pursuant to changes in the Consumer Price Index). The likelihood that Sponsor will consider renting is minimal, however, inasmuch as Units are anticipated to be sold promptly pursuant to a list of 224 preliminarily eligible purchasers created from a lottery conducted by Sponsor during the market test period granted under Cooperative Policy Statement No. 1, as more fully discussed in Part I, Section I of the Plan entitled "Procedure to Purchase."

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

B. DEFINITIONS

General definitions of some important terms used in the Plan are set forth below. These definitions are intended for explanatory purposes and should be read in conjunction with the more specific definitions appearing in the Declaration and By-Laws, which appear in Part II of the Plan.

"***Attorney General***" means the New York State Attorney General, who is the head of the New York State Department of Law.

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

"***Building***" means the Improvements now or hereafter erected on the Land and all alterations and replacements made to such Improvements.

"***By-laws***" means the By-laws of the Condominium, which By-laws are annexed to the Declaration, as such By-laws may be amended from time to time.

"***City Register's Office***" means the New York County Office of the Register of The City of New York.

"***Common Charges***" means the annual assessments payable in monthly installments by Unit Owners for the purpose of meeting Common Expenses. Assessments, both special and otherwise, will be characterized and treated as Common Charges of the Unit Owner to whom assessed, all as more fully described in the By-laws.

"***Common Elements***" means those facilities and areas of the Property that are not part of a Unit and which are necessary or convenient to the existence, management, operation, maintenance and/or safety of the Property, or normally in common use, and which Common Elements shall be classified as General or Limited.

"***Common Expenses***" means all costs and expenses in connection with repair, maintenance, replacement, restoration, operation of, and alteration, addition or improvement to, the Common Elements, including but not limited to insurance and establishment of reserves for repairs and replacements.

"***Common Interest***" means the proportionate undivided percentage of interest in fee simple absolute in the Common Elements allocated and appurtenant to a Unit, as set forth in the Declaration. The total of all Common Interest percentages appertaining to all Units equals 100%.

"***Condominium***" means the Property submitted to the Condominium Act.

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

"***Condominium Documents***" means the Declaration and the By-laws attached thereto, as same may be amended from time to time.

"***Declaration***" means the Declaration of Condominium, to be recorded by Sponsor prior to conveying title to a Unit under this Offering Plan, as same may be amended from time to time.

"***Department of Law***" means the New York State Department of Law, which is headed by the New York State Attorney General.

"***First Unit Closing***" means the first closing of a sale of a Unit pursuant to this Offering Plan.

"***Floor Plans***" mean the floor plans of the Units contained in Part II of this Offering Plan.

"***General Common Elements***" means those portions of the Property other than the Units and Limited Common Elements.

"***HPD***" means the New York City Department of Housing Preservation and Development.

"***Improvements***" means the Manhattan Building, the 116th Street Building, and any and all other improvements now or hereafter erected on the Land and all alterations and replacements to such improvements.

"***Institutional Lender***" means any domestic or foreign commercial or savings bank, any insurance company or savings and loan association whose investments are regulated by the laws of any State or of the United States, any pension fund, trust company, governmental agency or fund, any educational, religious or charitable institution, or other non-individual entity, or a consortium of any of the foregoing, in the business, among other things, of making mortgage loans secured by real property.

"***Land***" means the land upon which the Improvements are located, as more fully described in the Declaration.

"***Land Disposition Agreement***" (or "***LDA***") means the agreement between the City of New York acting by and through its Department of Housing Preservation and Development and Harlem Infil Corp., Sponsor's predecessor in interest, dated June 24, 2003, subject to which the Property was acquired by Sponsor.

"***Limited Common Element***" means a Common Element that serves one or more specified Unit(s) and no other Units, and thus is restricted in use to the Owner(s) of that (those) Unit(s).

"***Managing Agent***" means any management company or agent engaged by the Board of Managers to manage the Condominium.

"***Manhattan Building***" means the portion of the Building with frontage on Manhattan Avenue.

"***Mansion Tax***" means the transfer tax imposed by New York State pursuant to Article 31 of the Tax Law on purchasers of residential real property where the consideration for the conveyance is $1,000,000 or more.

"***Mortgagee***" means any Institutional Lender holding a mortgage of record encumbering a Unit. A Mortgagee shall be deemed to be a "Permitted Mortgagee" if it satisfies the criteria therefor contained in the By-laws.

"***Offering Plan***" (or "***Plan***") shall mean this Offering Plan for the Sale of Condominium Units at 374 Manhattan Condominium, 316 West 116th Street, New York, New York filed by Sponsor with the Department of Law, as said Plan may be amended from time to time.

"***Offering Plan Counsel***" means the law firm of Bryan Cave LLP, which firm has been engaged by Sponsor for the purposes of preparing this Offering Plan and the Declaration and By-laws contained herein.

"***116th Street Building***" means the portion of the Building with frontage on West 116th Street.

"***Permitted Encumbrances***" means those encumbrances to title to a Unit which a purchaser by executing a Purchase Agreement, agrees to take title subject to, as itemized in Part I, Section L of this Plan.

"***Permitted Mortgagee***" means a Mortgagee who has satisfied the criteria for a Permitted Mortgagee set forth in Article 8 of the By-laws.

"***Plans and Specifications***" means the plans and specifications for the Project prepared by Sponsor's Architect together with various engineers and other consulting professionals, as same may be amended from time to time.

"***Project***" means construction of the Improvements substantially in accordance with the Plans and Specifications.

"***Property***" means the Land and the Improvements now or hereafter erected on the Land.

"Punchlist" is a schedule of Punchlist Items.

"Punchlist Item" an incomplete item of construction in a Unit which is visible or readily ascertainable during a pre-closing inspection of the Unit conducted pursuant to the Plan, the existence of which will neither prevent nor substantially interfere with use and occupancy of the Unit.

"***Purchase Agreement***" means the contract between Sponsor and a Purchaser for the sale and purchase of a Unit.

"***Purchaser***" means the party or parties identified as purchaser under a Purchase Agreement.

"***Real Estate Tax Consultant***" means R & J Realty Services, Inc. which firm has been engaged by Sponsor in connection with an application for real estate tax benefits for the Property under New York City's J-51 real estate tax abatement/exemption program.

"***Residential Unit***" means each Unit designated on Schedule B to the Declaration, together with the Common Interest appurtenant to each such Unit.

"***Residential Unit Owner***" means an Owner of a Residential Unit.

"***Rules and Regulations***" means the rules and regulations adopted by the Board of Managers pertaining to the use of the Condominium, as same may be amended from time to time.

"***Sales Office***" means the office maintained by Sponsor and/or its Selling Agent at the Property in Unit 2B for the sale and/or leasing of Units.

"***Selling Agent***" means the Sponsor, as Sponsor is selling the Units under the Plan without the involvement of any other sales agent.

"***Special Assessment***" means an assessment in addition to Common Charges enacted by the Board of Managers and payable by all Unit Owners, or imposed by the Board of Managers against a particular Unit Owner in accordance with the Condominium Documents.

"***Sponsor***" means Harlem Infil LLC and its designated successors and assigns.

"***Sponsor's Architect***" means Urban Architectural Initiatives, with an address at 838 Broadway, New York, NY 10003.

"***Sponsor's Closing Counsel***" means Mallin & Goldstein, P.C. with an address at 132 Nassau Street, New York, NY, which firm will represent Sponsor in connection with preparing and processing Purchase Agreements and with Unit Closings.

"***Tax Lot Drawings***" means the drawings of the Property, to be certified by Urban Architectural Initiatives, delineating the Units and the Common Elements, approved by the Real Property Assessment Department of the City of New York and filed simultaneously with the recording of the Declaration, as more fully described in Article 2 of the Declaration.

"***Title Company***" means Fidelity National Title Insurance Company of New York.

"***Transfer Taxes***" means the New York City Real Property Transfer Tax and the New York State Real Estate Transfer Tax. "Transfer Taxes" do not include the "Mansion Tax," defined above.

"***Unit***" means any space in the Building intended for independent use or ownership and designated as a Unit in the Declaration, as same may be amended from time to time, together with such Unit's Common Interest.

"***Unit Closing***" means the closing of a Unit pursuant to a Purchase Agreement under this Plan.

"***Unit Closing Date***" means the actual date of the Unit Closing.

"***Unit Owner***" or "***Owner***" means any owner of a Unit in fee simple absolute.

"***Working Capital Fund***" means the monies deposited by Purchasers with the Board of Managers at the time of their Unit Closing in accordance with this Plan, to be used to fund operating expenses of the Condominium.

C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

1. The Property

The Property is located in Manhattan at the corner of West 116th Street and Manhattan Avenue. The Project involves a gut renovation of two vacant buildings that are being combined into a single structure. The combined Building is L-shaped with what are essentially two wings created out of the original buildings on the site. On wing has frontage on 116th Street and the other has frontage on Manhattan Avenue, and there is open space in between them at the corner of Manhattan Avenue and 116th Street. In this area the Property will contain a small enclosed garden area for the exclusive use of Building residents. The main entrance to the Building will be on West 116th Street. Each wing of the Building will contain six (6) floors, plus inhabitable cellars.

The Building will be constructed in accordance with the Zoning Resolution of the City of New York and all other applicable zoning and building laws, regulations, codes and other government requirements.

Construction of the Building is anticipated to be substantially complete by the summer of 2005. Under Sponsor's current projection, the First Unit Closing is projected to occur in or about July 2005, unless Sponsor is delayed by weather, strikes, lockouts, acts of God, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements, or any other cause over which Sponsor has no direct control. Sponsor makes no warranty or guarantee, however, as to the date of completion of the Building or the date of the First Unit Closing.

2. The Units

Sponsor is constructing 14 residential apartments in the Building (each a "***Unit***" or "***Residential Unit***") but reserves the right to change the number and configuration as construction progresses in connection with a Purchaser's request or Sponsor's decision to combine or reconfigure Units, or otherwise. As more fully described in Part I, Section H of the Plan entitled "Changes in Prices and Units" under the subheading "Changes in Units," Sponsor will amend the Offering Plan, and if the Declaration has been recorded, will amend the Declaration as well, if and as appropriate, to reflect the foregoing changes. All Residential Units are offered for sale under the Offering Plan.

Several ground floor Units contain private courtyards or patios which, together with all free-standing walls and fencing enclosing same, are Limited Common Elements appurtenant to the Unit. The Owner of a Unit with a private courtyard or patio will be responsible at his or her expense, for maintenance and repair of the decking, pavers, cement or other ground coverage, as well as the fencing or other enclosure surrounding the courtyard or patio, and for keeping clear any and all drains in the yard or patio as well.

Similarly, several Units on the higher floors contain terraces, the structural elements of which, together with all parapets and railings surrounding same, are Limited Common Elements appurtenant to the Unit. Any lighting installed in or on the terrace to illuminate the terrace, as well as any decking or other protective covering installed over the roofing material comprising the terrace floor, is part of the Unit. Purchasers are advised that a Unit Owner with a terrace shall have the responsibility at Unit Owner's sole expense, for installing decking or other protective roof covering on the terrace prior to using the terrace for any purpose whatsoever. Sponsor is offering an optional decking installation package for all Purchasers acquiring a Unit with a terrace. Any installation on the terrace floor surface by

the Unit Owner shall require the prior written consent of the Board of Managers, and until a permanent certificate of occupancy for the Building is obtained, the prior written consent of Sponsor as well. The Unit Owner shall have on-going responsibility for maintenance and repair of all decking, pavers, drains and lighting in or on the terrace.

The stoop leading to the private Manhattan Avenue entrance of the two duplex Units in the Manhattan Avenue Building is a Limited Common Element shared by those two Units.

Each Unit will contain its own gas-fired boiler to provide heat and hot water for the Unit which boiler is part of the Unit. Accordingly, each Unit will be separately metered for gas as well as for electricity.

Specific items to be included in a Residential Unit, and the level of finish work Sponsor has undertaken to provide, are described in the "Description of Property and Specifications" contained in Part II of this Plan.

Purchasers are advised that there may be certain design elements included in a model Unit that are not standard in Units offered for sale. Purchasers should consult the Floor Plans shown in Part II of this Offering Plan and consult Sponsor with any questions as to precisely what design elements their Units will include.

Any alteration work which a Unit Owner desires to undertake in the Unit or a Limited Common Element appurtenant thereto subsequent to Unit Owner's acquisition of the Unit, must be performed in accordance with the procedures for alterations outlined in the By-laws.

Sponsor and/or its designee reserves the right, without prior notice or amendment to the Plan, to use any Unit owned by Sponsor as a sales office, model apartment or for any other legal purpose consistent with the first class residential nature of the Building.

3. Common Elements

Generally, the Common Elements of the Condominium consist of the Land on which the Building is built, and all parts of the Property other than the Units themselves, including generally, the foundations, footings, roofs and supports of the Property and all other parts of the Property, all apparatus, fire escapes, installations, systems, equipment and facilities therein for the common use of all the Units and Unit Owners or which are convenient and necessary for the existence, maintenance, safety and operation of the Property and all facilities of the Property which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of more than one Unit Owner.

The Common Elements are divided into two categories: (i) General Common Elements (consisting of all the Property except the Units and the Limited Common Elements) and (ii) Limited Common Elements (consisting of Common Elements serving only a specified Unit or Units and thus restricted in use to the Owner (or Owners) of that Unit(s)). All Unit Owners have the right to use and enjoy the General Common Elements jointly with all other Unit Owners.

Windows located in Units are General Common Elements. However, as more fully described in the By-laws, Unit Owners will have responsibility for both interior and exterior cleaning of the windows serving their Units.

Limited Common Elements include the structural elements of any patio, yard or terrace appurtenant to a Residential Unit and any fencing, railings or parapets surrounding same. Any decks, pavers, or other ground or floor covering, and any lighting installed on or in patios, yards or terraces and serving same exclusively, are part of the Unit, and the Owner of the Unit shall have sole responsibility for maintenance and repair of same. Unit Owners also shall be responsible for keeping the drains, if any, serving their patio, yard or terrace, free and clear of all dirt and debris so that the drain runs freely. Dividers separating one terrace or yard from another, if any, will be Limited Common Elements appurtenant to the Unit(s) to which the terraces or yards are appurtenant, and the Owners of those Units will be jointly and severally liable for maintenance and repair of the enclosure/divider.

A detailed description of the Common Elements is contained in Article 4 of the Declaration.

The Common Elements cannot be divided or partitioned except as provided in the Condominium Act. A Unit Owner's interest in the Common Elements cannot be separated from the Unit to which it appertains.

4. Services and Amenities

Where applicable, the services and amenities described below have been budgeted for by Sponsor for the first year of operation of the Condominium. Purchasers are advised, however, that some of the services and amenities may not be in service or operation and a full complement of Condominium staff may not be engaged, until the Building is fully occupied. Thus, some services and amenities may not be in service or operation and some Condominium personnel may not yet have been engaged, when a particular Purchaser takes occupancy.

Purchasers are advised that a decision to maintain the operation and level of services and amenities described below (and budgeted for the first year of condominium operation), in future years will be discretionary with the Board of Managers and Sponsor makes no representation that they will be so maintained or that they will be maintained on the basis provided for in this Plan. The Board of Managers will have the authority to impose fees for certain services and amenities, increase or decrease services and amenities, change the hours of availability, and so on. Sponsor makes no representation as to actions to be undertaken by the Board of Managers in subsequent years of Condominium operation, except, however, while Sponsor controls the Board of Managers, Sponsor will not cause the Board to decrease the level of services budgeted in Schedule A for the first year of Condominium operation. Sponsor will not be liable in the event of discontinuance, modification, restriction or expansion of availability or any other modification of services and amenities described herein by the Board of Managers in subsequent years of Condominium operation when Sponsor does not control the Board of Managers.

- ***Private Garden***: A landscaped garden at the corner of the Property adjacent to the intersection of Manhattan Avenue and West 116th Street, will be available for the exclusive use of Building residents.

- ***Video Intercom System***: All Residential Units will be provided with a video intercom which will be linked to the building entrance in the 116th Street Building.

- ***Telecommunications***: The Building will be pre-wired for the installation of telephone and cable TV service to the Unit. Charges for activating cable television, installing and

attaching appropriate receptacles, additional installations and monthly usage charges will be determined by and payable directly to the cable company by each resident subscribing for and activating such service.

- ***Laundry***: Each Residential Unit will be equipped with a washer and dryer hook-up, but not with the washers or dryers themselves. Purchasers desiring washers and dryers will be responsible for purchasing and installing same at their own cost and expense. There will be no laundry room in the Building.

- ***Smoke and Carbon Monoxide Detectors***: All Residential Units will be equipped with smoke and carbon monoxide detectors in accordance with local law. (No representations or warranties are made and no assurance is given that the existence of a smoke or carbon monoxide detector will prevent personal injury, loss or damage to personal property.)

- ***Storage***: A portion of the central core of the Building on floors 2-6 will be reserved for storage by Unit Owners with Units on that floor for their personal effects. Use of these storage areas and any charge therefor, will be determined and administered by the Board of Managers in its sole discretion. While Sponsor controls the Board of Managers, however, there will be no charge imposed on Unit Owners in connection with use of storage areas, other than costs associated with maintenance and operation of storage areas (e.g., cleaning and lighting same), which are included in projected Common Charges.

5. **Security**

Each Unit will be equipped with a central station monitoring intrusion alarm, with wireless remote control of all major alarm functions. The monitoring service charge currently is $29.99 per month and for the first twelve (12) months following each Purchaser's Unit Closing, will be waived by Percival Surveillance, the alarm installer. Renewal of the monitoring service after the initial 12 months will be at the sole option and, if elected, at the sole cost, of the Unit Owner. No representation or warranty is made that security systems and procedures, if any, installed in and implemented at the Property will prevent personal injury or damage to or loss of personal property. If a Purchaser desires take additional security measures in Purchaser's Unit beyond any provided for in the Plan, such measures would be at Purchaser's sole discretion and expense. Any installation in the Unit must be performed in accordance with the procedures for alterations contained in the By-laws.

D. LOCATION AND AREA INFORMATION

The Neighborhood

The Project is located on the western edge of Central Harlem at the corner of 116th Street and Manhattan Avenue. The surrounding area is undergoing a dramatic change with new construction of hundreds of units and renovation of pre-war structures, many of landmark quality, that once housed the elite of New York City. After years of decline Harlem is enjoying an unprecedented revitalization including construction on almost every block and an influx of upwardly mobile families and singles. The proximity of Harlem to some of the most expensive and exclusive neighborhoods in Manhattan make it an accessible and desirable location for home ownership. The upper west side of Manhattan is a few short blocks to the south and 125th Street with its excellent shopping and other activities is nine blocks to the north.

Shopping and Dining

Shopping is convenient with 125th Street nine blocks north, where Harlem USA features a multi-screen cinema and banking, clothing and shoe stores may be found. Local commercial activity is even more convenient, with many restaurants and food stores along the nearby commercial corridor of 116th Street. The shopping areas of the upper west side of Manhattan are a short walk along Columbus Avenue and Broadway.

Recreation and Culture

There are numerous recreational facilities in Central Harlem. Central Park and Morningside Park are close by. The New York Health Club located at Harlem USA shopping center is a few blocks away and Riverside Park is a short distance away along the West Side Highway.

Harlem is a cultural experience. The famed Apollo Theater is a few blocks to the north on 125th Street as is the Studio Museum of Harlem. The African American Wax Museum is located at 318 West 115th Street and El Museo Del Barrio on Fifth Avenue and 104th Street. The Schomburg Center is at 515 Lenox Avenue and the Harlem Library is at 9 West 124th Street. Aaron Davis Hall at City College often provides a venue for extraordinary cultural events. The Harlem YMCA is steeped in the history of Harlem and provides a wide variety of recreational and cultural activities for the community.

Transportation

The IND B & C subway line stops one block from the site and the IRT number 2&3 subway lines stop three cross-town blocks from the site. Bus stops are on both sides of the site traveling north and south as well as east and west (i.e., M3, M18, M7 and M116). The M69 bus provides transportation from 125th Street directly to LaGuardia Airport. The Metro North station located at 125th Street and Park Avenue is also nearby. From this location you can travel by public transportation to many destinations.

Schools

The Project is located in New York City school Region 10, District 5. Nearby schools include the following: 185 John M. Langston, 241 Family Academy, P.S. 162, 149 Sojourner Truth, 208 Alain Locke, Wadley Arts High School and Fredrick Douglass Academy. The area also has three public Charter Schools: J.A. Reisenbach, Sisulu and J. V. Lindsay Wildcat. In addition there are a number of

private and parochial schools serving the area including Christ Crusader Academy K-6 (private), Corpus Christi K-8 (parochial) and Rice High School (parochial). Columbia University, Barnard College, Bank Street and City College are in close proximity. Sponsor, however, makes no guarantee or representation as to which school a child residing at the Building may actually attend.

Religious Institutions

Harlem has an abundance of religious institutions, many located close to the site. The Cathedral of St. John the Divine located at Cathedral Parkway and Amsterdam Avenue is close by and Riverside Church is a short distance across Morningside Park. Canaan Baptist Church and Memorial Baptist are nearby too. There are many more options for worship in the neighborhood.

Municipal Services

The City of New York will provide water, sanitation, police and fire services to the Building. The area is served by the 28th Precinct located at 2271-89 Frederick Douglas Boulevard. Fire protection is provided by Engine No. 37 and Ladder No. 40 located at 419 West 125th Street, and by Engine No. 59 and Ladder No. 30 located at 111 West 133rd Street.

Medical Facilities

Nearby medical facilities include Harlem Hospital at 506 Lenox Avenue, North General Hospital at Madison Avenue and 123rd Street, Mount Sinai Hospital at Madison Avenue and 99th Street, Saint Luke's Roosevelt at 1111 Amsterdam Avenue and New York Presbyterian at 622 West 168th Street. There are numerous health clinics and private doctors providing primary care as well.

Address and Post Office

The mailing address for the Project is 316 West 116th Street, New York, NY 10026. The closest post office is 232 West 116th Street, NY, NY.

Zoning

The Property is located in an R7 zone designated for residential development. The adjacent buildings are also zoned R-7.

E. SCHEDULE A: OFFERING PRICES AND RELATED INFORMATION

UNIT NO.	BEDROOMS/ BATHS (1)	APPROX. SQ. FT. AREA (1)	OFFERING PRICE (2)	COMMON INTEREST (3)	EST. MONTHLY COMMON CHARGES (4)	EST. ANNUAL RE TAXES WITH J-51 (5)	EST. MONTHLY TAXES WITH J-51 (5)	EST. ANNUAL REAL ESTATE TAXES W/O J-51 BENEFITS (6)	EST. MONTHLY REAL ESTATE TAXES W/O J-51 BENEFITS (6)
1A(Y)	1/*	1,512	$547,875	5.20%	$368	0	0	$5,704	$475
1B(P)	1/*	1,641	620,250	5.87%	416	0	0	6,439	537
1C	1/*	1,555	588,375	5.57%	394	0	0	6,110	509
1D(Y)	1/*	1,870	738,000	6.98%	494	0	0	7,656	638
2A	3/2.5	2,051	800,000	7.57%	536	0	0	8,303	692
3A	3/2.5	2,051	820,000	7.76%	549	0	0	8,512	709
4A	3/2.5	2,051	830,000	7.85%	556	0	0	8,610	718
5A	3/2.5	2,051	840,000	7.95%	563	0	0	8,720	727
PHA(T)	2/2	1,824	762,300	7.21%	510	0	0	7,908	659
2B	3/2.5	2,088	811,200	7.68%	544	0	0	8,424	702
3B	3/2.5	2,088	831,480	7.87%	557	0	0	8,632	719
4B	3/2.5	2,088	841,620	7.96%	554	0	0	8,731	728
5B	3/2.5	2,088	851,760	8.06%	571	0	0	8,841	737
PHB(T)(2)	2/2	1,541	684,000	6.47%	458	0	0	7,097	591
TOTAL		26,449	$10,566,860	100.00%	$7,079	0	0	$109,687	$9,141

KEY:
P = Patio
T = Terrace
Y = Private courtyard

* Units 1A, 1B, 1C and 1D contain one (1) full bath and two (2) ½ baths.

- 15 -

NOTES TO SCHEDULE A

(1) Reference should be made to the Floor Plans in Part II of this Plan for the layout of each type of Residential Unit. Purchasers are advised, however, that the dimensions shown on the Floor Plans are only approximations and are subject to change should site conditions so necessitate. Each Unit should be physically inspected to determine its actual dimensions, layout and condition. In preparing the room count in Schedule A, Sponsor counted each bedroom identified as a bedroom on the Floor Plans as one bedroom, each bathroom containing a toilet, sink and shower facilities as one bathroom, and each bathroom without a tub or shower as a half-bath. In calculating the approximate square foot area of the Unit shown on Schedule A, Sponsor measured horizontally from the interior side of the Building walls or glass windows at the Building line enclosing the Unit, or from the mid-point of the interior party walls separating the Unit from another Unit, or from the mid-point of the interior party walls separating the Unit from public corridors or public stairs, or from the mid-point of interior party walls separating the Unit from an elevator or other mechanical equipment space or from any other Common Elements. The areas of columns and mechanical pipes and chases are not deducted from the square foot area of the Unit even though such elements are not part of the Unit.

(2) Purchasers are advised that prices contained in column 2 were set with the approval of HPD and may not be changed without HPD consent. However, to the extent such consent is received, prices may be changed on an individual basis as discussed in "Changes in Prices and Units" in Part I, Section H of the Plan. In addition to paying the purchase price at closing, Purchasers will be obligated to pay the Transfer Taxes, Mansion Tax (if applicable), title insurance costs and other title-related closing costs and to contribute a sum equal to two months' Common Charges to the Working Capital Fund and pay any adjustments due Sponsor. If a Purchaser obtains a mortgage, "points," escrow deposits, attorneys' fees and other costs of obtaining the mortgage must be paid by Purchaser. See "Closing Costs and Adjustments" in Part I, Section M of the Plan, for a more detailed description of closing costs.

(3) The Common Interest of each Unit has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, and is based on the approximate floor space of the Unit subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use (i.e. whether the Unit has a terrace, patio or yard), and the overall dimensions of the particular Unit.

(4) The estimated Common Charges attributable to each Unit represents the Unit Owner's proportionate share of the expense of operating, maintaining and repairing the Common Elements during the first year of Condominium operation, as discussed in the projected operating budget for the Condominium contained in Schedule B of this Plan. All projected costs are for the period beginning July 1, 2005 and ending June 30, 2006. The projected Common Charges for each Unit do not include costs for which the Unit Owner will be responsible such as repairs to the interior of the Unit, insurance for personal property within the Unit, electricity used for lighting and operating the appliances in the Unit, gas costs for heat and hot water for the Unit, or debt service on any mortgage loan the Unit Owner obtains to finance the purchase of the Unit. Cost projections for Unit electricity and gas costs are included in Schedule B-1 of this Offering Plan.

(5) As more fully discussed in Part I, Section R of the Plan under the subheading "Real Estate Tax Benefits," Sponsor anticipates, on advice of Real Estate Tax Consultant, but does not represent or warrant, that the Project will be eligible for real estate tax benefits pursuant to Section 11-243 of

the Administrative Code of the City of New York (formerly known as and referred to in this Plan as "***Section J-51***"). Sponsor is further advised by Real Estate Tax Consultant, that in arriving at the assessed valuation for each Unit, the Property first will be assessed as an entirety. This overall assessment will then be apportioned among the Units, each of which will be assigned a tax lot designation upon the recording of the Declaration. Sponsor anticipates that the apportionment will be based upon the Common Interest attributable to the Unit and Sponsor prepared the estimated real estate taxes on Schedule A pursuant to that understanding.

The estimated taxes in this Note 5 assume that the Property will receive tax exemption benefits under J-51. Real Estate Tax Consultant anticipates that under J-51 any increase in assessed value attributable to the physical work done to the Property, should result in a 14-year exemption from taxes on the amount of that increase (10 years of full exemption followed by a 20% per year phase-out in each of the succeeding 4 years, so that by the 15th year after completion, there is no exemption).

In addition to the exemption benefits, under Section J-51, any taxes attributable to the non-exempt portion of the assessed value may be abated and reduced annually by an amount not to exceed in any one year 8⅓% of 90% of the Certificate of Eligibility and Reasonable Cost ("***CRC***") of the renovation, as determined by HPD. Real Estate Tax Consultant anticipates that the Project should obtain a CRC from HPD in the approximate amount of $1,160,000 and thus should be eligible for an aggregate real estate tax abatement in the amount of 90% of the CRC or $1,044,000. Real Estate Tax Consultant further anticipates that J-51 will permit the Property to use up to 8⅓% of this amount (i.e., approximately $96,667) per year to abate taxes otherwise due on the Property, until said $1,044,000 is used. As a consequence of the combined exemption and abatement, it is anticipated that no taxes will be payable during the projected first year of Condominium operation. Any unused abatement may be carried forward up to 20 years.

The estimated real estate taxes listed under Note 5 in Schedule A assume that the Section J-51 tax exemption benefits described above will be in effect for the entire Project during the 12-month period July 1, 2005 through June 30, 2006 for which the projection is made and that the application of such benefits would exempt or abate 100% of the real estate taxes that otherwise would be due, based on an assessed value of $466,897 and the 2004/2005 Class 2 Tax Rate of $12.2160 per $100 of assessed value.

It is expected that tax year 2006/2007 will be the first year the Property is taxed on its completed assessed value, subject to the J-51 exemption for that year. Were the Property not to receive J-51 tax benefits, it would be taxed on its full post-completion assessed value, which Real Estate Tax Consultant estimates, based on an appraisal dated December 31, 2003 from Cushman & Wakefield, to be $897,900.

ALTHOUGH IN SPONSOR'S OPINION THE FOREGOING METHOD OF PROJECTING THE REAL ESTATE TAXES APPLICABLE TO EACH UNIT IS REASONABLE, THE FOREGOING ANALYSIS IS NOT A GUARANTY OR WARRANTY THAT SECTION J-51 TAX BENEFITS WILL BE GRANTED, OR AS TO THE DATE THEY WILL BE GRANTED OR THAT THIS METHOD OF ALLOCATING ASSESSED VALUE TO EACH UNIT WILL BE THE METHOD USED BY THE NEW YORK CITY TAXING AUTHORITIES IN ESTABLISHING THE REAL ESTATE TAX ASSESSMENT FOR EACH UNIT, OR THAT THE TAX RATE OR ASSESSED VALUE USED IN THE PROJECTIONS WILL BE THE TAX RATE OR ASSESSED VALUE ADOPTED BY THE CITY OF NEW YORK FOR THE TAX YEARS IN QUESTION.

(6) Although Sponsor anticipates that the Project will receive Section J-51 real estate tax benefits as described in Note 5 above, Sponsor has projected under this Note 6 the estimated allocable taxes that would be attributable to each Unit without the application of any real estate tax benefits, in the event that due to unforeseen circumstances no real estate tax benefits are granted to the Property. The estimated tax amounts in this column are based on the numbers provided in Note 5 for assessed value for a completed building without the benefit of Section J-51 benefits. That is, they are based on an estimated post-completion assessed value of $897,900 and the current (i.e., 2004/2005) tax rate for Class 2 property of $12.2160 per $100 of assessed value. Purchasers should note, however, that were J-51 benefits not to be granted for the projected first year of Condominium operation, the tax payable would in fact be somewhat less than as projected in Schedule A, since the actual assessed value for 2005/2006 is for a building pending completion of construction rather than for a completed building. Thus, the actual assessed value, at $466,897, is less than the assessed value that served as the basis for projections in Schedule A.

F. SCHEDULE B:

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION ANTICIPATED TO BEGIN JULY 1, 2005

PROJECTED ANNUAL RECEIPTS

Common Charges	$84,950 (A)
TOTAL PROJECTED REVENUE	$84,950

PROJECTED ANNUAL EXPENSES

			BUDGET AMOUNT
(1)	Labor and Related Expenses	$	12,000
(2)	Gas	$	600
(3)	Electricity	$	6,500
(4)	Water Charges and Sewer Rents	$	6,000
(5)	Repairs, Maintenance and Supplies	$	2,000
(6)	Insurance	$	24,000
(7)	Service Contracts	$	4,500
(8)	Management Fee	$	16,800
(9)	Legal and Audit Fees	$	3,000
(10)	Reserves	$	5,000
(11)	Contingency	$	3,000
TOTAL EXPENSES		$	84,950

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

Amounts are projected on the assumption that the first year of Condominium operation will be the 12-month period from July 1, 2005 through June 30, 2006. The actual first year of operation may be earlier or later than that 12-month period. If the projected commencement date of the first year of Condominium operation differs by six months or more from the actual scheduled First Unit Closing , the Plan will be amended to include an updated budget with revised projections, if revised projections are necessary. If the aggregate of the revised budget projections exceeds the aggregate of the original budget projections by 25% or more, Sponsor will offer all purchasers the right, for a period of at least fifteen (15) days, to rescind their Purchase Agreements and have their down payments refunded. Down payments will be returned within fifteen (15) business days after Sponsor receives Purchaser's timely rescission notice.

Projected Receipts

It is anticipated that no income will be payable to the Condominium from any contracts or leases and that no significant investment income will be earned by the Condominium during the projected first year of operation. Though Purchasers will be obligated to make a contribution to the Working Capital Fund at the time of their Unit Closing, such funds are anticipated to be used as working capital and to be expended to cover operating expenses until sufficient cash flow is generated by Common Charges, and thus are not anticipated to be invested. Accordingly, working capital is not expected to generate any significant investment income. The Common Charges payable by Unit Owners thus are anticipated to be the sole source of income for the operation of the Condominium.

(A) Common Charges Allocable to Units ($84,950)

Common Charges represent the estimated cost of paying Common Expenses. Common Expenses will be allocated among the Units on the basis of Common Interest.

Projected Expenses

Purchasers are advised that all budget projections are estimates and approximations. The projections were made by Sponsor in conjunction with SOBRO Local Development Corporation, the anticipated managing agent for the Condominium ("***SOBRO***"). Although the projections are believed to be reasonable, they are not assured or guaranteed.

1. Labor ($12,000)

The only labor is anticipated to be superintendent services. Superintendent services will be provided on a daily and emergency basis by employees of SOBRO, while SOBRO is the managing agent. The labor expense listed here covers salary and benefits for the staff assigned to the Building. Services to be provided include daily clean-up of common areas, removal of trash from trash rooms, and maintenance and upkeep of the public outdoor areas and snow removal from same in the winter.

2. Gas ($600)

The following estimate for gas is based on a letter dated August 11, 2004 from Floyd Daniels, P.E., P.C., Consulting Engineers, Jamaica, New York, NY 11432 (**"Daniels Letter"**).

Gas will be used for space heating for common areas. Gas service to the Common Elements will be separately metered and paid as a Common Expense. The estimated gas usage for common areas is 62.8 therms per year which at current rates of $.72 therm, will cost $543 per year, increased by 10% to $600. Each Unit will contain its own gas-fired boiler for heat and hot water, and Units will be separately metered for such gas consumption. See Schedule B-1 for projected Unit gas costs.

3. Electricity ($6,500)

Electricity to each Residential Unit will be separately metered and paid directly to the utility provider by the Owner of each Unit. Electricity to the common areas will be metered, with one meter for the Manhattan Building and one for the 116th Street Building, and paid as a Common Expense.

The estimated electricity usage in the common areas is for lighting, elevators, and operating common electrical appliances (including the boiler, trash and bathroom ventilation systems). The Daniels Letter assumes 24/7 operation for lighting in stairwells and hallways, and various hours of operation for pumps, ventilation fans and elevators. The Daniels Letter projects electricity usage at 2,917.7 kilowatt hours ("***KWH***") per year. Assuming an average cost of $.17 per KWH, the projected annual cost of electricity usage in the common areas is $5,952.11 (2,917.7 KWH x $.17/KWH), adjusted upwards by 10% to cover sales tax and inflation.

Individual Units will be separately metered for electricity consumed the Unit including, without limitation, electricity to operate any air conditioning units Purchaser installs. See Schedule B-1 for projected Unit electricity charges.

4. Water Charges and Sewer Rents ($6,000)

The City of New York will provide water service. The sewer service is a municipal service as well and the storm system drains to the municipal storm water system. All municipal charges for water and sewer service will be included in bills from the New York City Water Board.

The daily water consumption for Units and Common Elements as projected by Sponsor are based upon the DEP published average per person daily residential consumption of 70 gallons of water, and the assumption of 3 occupants per Unit. Annual water consumption is thus estimated at 76,650 gallons (70 x 365 x 3). There are 748 gallons per 100 cubic feet of water (CCF). The total consumption is thus estimated at 102.45 CCF (76,650÷748). NYC water and sewer rates are $4.14 per CCF. Total cost per year therefore is estimated at approximately $6,000 ($4.14 x 102.45 x 14). Sponsor has not adjusted for inflation due to installation of water saver devices throughout the Project that should result in below-average water usage.

The actual cost of water and sewer services will depend, in part, on the level of water consumption and the rates and formulas for these services set by the City of New York. Consumption will depend upon the amount of water usage in the individual Units.

5. Repairs, Maintenance, Landscaping and Supplies ($2,000)

The Board of Managers is to provide for repairs, maintenance, landscaping and supplies to the common areas. Each Unit Owner will be responsible to pay and perform or provide for any needed or desired repairs (other than structural repairs), maintenance and supplies to or for the

Owner's Unit and Unit's equipment and installations (including the Unit's boiler, appliances, bathroom and kitchen sinks, toilets, bathtub/shower, and related hardware), as well as Unit painting and decorations. Unit Owners of Units containing terraces will be responsible for maintenance, repair and replacement, when necessary, of the decking or other protective covering on the terrace, and the Board of Managers will be responsible for structural repairs below the decking, subject, however, to the Board's right to impose the cost of such repair or replacement on the Unit Owner if same was necessitated by the actions, inaction or other negligence of the Unit Owner or the Unit Owner's guests or other invitees.

This projection is for the cost of maintaining and landscaping the Common Elements only. No provision is made for the cost of any major capital expenditure, since the Building is newly constructed and no such expenditure is anticipated in the first year of operation.

6. **Insurance ($24,000)**

This Budget amount is based upon the following insurance coverages recommended by Lawrence R. Bell Associates Inc., Licensed Insurance Brokers, 2 Glen Way, Cold Spring Harbor, New York 11724 pursuant to a proposal dated February 18, 2005:

A. Property Insurance

Building Limit: $5,600,000
All Risk Replacement Cost
Deductible: $5,000
Loss of Money: $25,000
Theft of business
personal property: $25,000
Deductible: $5,000
Flood/earthquake: $1,000,000
Deductible: $25,000
Exterior Glass: Actual Cost
Deductible: $250

B. General Liability

Aggregate: $2,000,000 Each Occurrence: $1,000,000

C. Umbrella Liability

Aggregate: $5,000,000 Each Occurrence: $5,000,000

D. Director's and Officers Liability

Limit: $1,000,000

The total estimated annual premium for the above is $24,000.

At the time of the First Unit Closing Sponsor will deliver to the Board of Managers, at the expense of the Board of Managers, policies or binders for the insurance coverages set forth above

in favor of the Condominium. The actual cost of such coverages will depend on the premiums in effect at First Unit Closing, which may be more or less.

It is anticipated that insurance premiums will increase substantially in the near future due to the volume of claims for property damage, liability, etc., throughout the industry in recent years.

The All Risk Replacement Cost coverage limit is based upon an agreed amount replacement cost for the Building, whereby the insurance carrier agrees to reimburse the insured for losses up to the full amount of the policy regardless of the actual replacement value of the Building. This means that the Board of Managers may not necessarily receive sufficient proceeds to actually fully rebuild or restore the Building in the event of its substantial or total destruction. The Board of Managers should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage is sufficient.

The physical damage policy will provide that each Unit Owner is an additional insured and that there will be no cancellation without notice to the Condominium Board and those Permitted Mortgagees who have requested such notice in writing. The policy will waive subrogation, invalidity because of the acts of the insured and Unit Owners and any pro rata reduction if the Unit Owners obtain additional coverage.

This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units, nor does it include the coverage found in a standard "homeowners" policy for any belongings, improvements or furniture or other personal property in a Unit. Unit Owners are required to carry their own liability and property insurance covering occurrences in their Unit, pursuant to the By-laws.

Notwithstanding anything in this Offering Plan to the contrary, pursuant to both the By-laws and the Condominium Act, the Board of Managers shall have the right to allocate the cost of the Condominium's property insurance premium other than pursuant to Common Interest, should the cost of the Condominium's insurance premium be based in part, specifically on the use to which a particular Unit is put, so that the Unit Owner whose use causes the premium to be higher pays the increased cost.

7. Service Contracts ($4,500)

Although no contracts have been entered into, estimates have been provided by Noble Elevator for elevator maintenance and Champion fire protection for the sprinkler alarm, as follows:

Nature of Service	Annual Cost
Elevator Maintenance	$3,000
Sprinkler Alarm	$1,500
	$4,500

Purchasers should note that there will in fact be no charge for the elevator maintenance contract for the first year of Condominium operation, but the cost is included in the budget, based on current rates, as elevator maintenance will be an expense in subsequent years. Sponsor does not anticipate a materially higher cost for the elevator contract in the second year of Condominium operation than the cost shown above, though Sponsor makes no representations about the

projected operating budget for the second year or other subsequent years of Condominium operation.

Sponsor reserves the right to enter into service contracts that will be binding on the Board of Managers and will amend the Offering Plan to disclose these contracts if the cost materially increases the Common Charges or if the contract is for a period in excess of five (5) years.

8. Management ($16,800)

It is anticipated that the Board of Managers will enter into a management agreement with SOBRO Local Development Corporation, prior to the First Unit Closing. The agreement will be for an initial period of one year, with payments to be made in equal monthly installments.

9. Legal and Audit Fees ($3,000)

The Board of Managers is not anticipated to retain an attorney during the first year of Condominium operation, except possibly in connection with a real estate tax protest (which is customarily performed on a contingency fee basis, other than for reimbursements of disbursements). Any expense incurred for legal service for the first year of Condominium operation are anticipated to be minimal in amount and accordingly $1,000 has been budgeted for such cost.

The Condominium will incur auditing fees in connection with the preparation of the Condominium's first year's audited financial statements and its Federal, State, and City income tax and franchise tax returns. $2000 has been budgeted for these services based upon a proposal in such amount dated December 16, 2004 made by Mitchell Richardson & Hutchinson, Certified Public Accountants, having an office at 1825 Park Avenue, New York, NY 10035.

10. Reserves ($5,000)

This amount is to begin a fund for the replacement of common systems such as the roof, hallways, bathroom ventilation systems, hallway boiler, hot water heater, intercom control panel and other Common Elements. Unless the Condominium Board of Managers continues to fund the reserve fund after the first year of Condominium operation, it is possible the reserve fund will not be sufficient to cover the costs of repairs and replacements in the future.

11. Contingency ($3,000)

Contingency monies, to be used at the discretion of the Board of Managers, are intended to benefit the Condominium Unit Owners by providing a fund for unanticipated expenses not included in the projected first year's operating budget as a result of possible increases in one or more items of operating expense above the amounts projected, or unforeseen additional expenses. Such fund is not intended to be for major capital repairs or replacement items.

* * * *

The foregoing projected budget may be modified from time to time prior to the commencement of, or during, Condominium operation to add or increase one or more items of operating expense. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners.

****

IN THE OPINION OF WORLD CLASS MANAGEMENT, THE FOREGOING ESTIMATED COMMON CHARGES ARE SUFFICIENT TO PAY THE PROJECTED OPERATING EXPENSES FOR THE CONDOMINIUM'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING JULY 1, 2005. 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 ANY SUBSEQUENT YEAR OF CONDOMINIUM OPERATION WILL BE PRECISELY AS SET FORTH IN THIS BUDGET.

SCHEDULE B-1

PROJECTED UTILITY COSTS FOR UNITS

Sponsor's Consulting Engineer, Floyd Daniels, P.E., P.C., by letter dated August 11, 2004, has provided the following annual projections of electricity and gas consumption and costs (covering air conditioning, heating, hot water, lighting and appliances, including washers and dryers in the event Unit Owners purchase same) for individual Residential Units:

Unit No.	Sq. Ft. Area	Projected Annual Cost-Gas	Projected Annual Cost- Electricity
1A	1,466	$732	$1,726
1B	1,690	785	1,974
1C	1,542	724	1,712
1D	1,861	863	1,712
2A	2,024	889	1,788
2B	2,041	889	1,788
3A	2,024	889	1,788
3B	2,041	889	1,788
4A	2,024	889	1,788
4B	2,041	889	1,788
5A	2,024	889	1,788
5B	2,041	889	1,788
PHA	1,826	726	1,974
PHB	1,516	860	1,900

Projections were based on the most recent rates available and usage assumptions based on apartment size.

Each individual Residential Unit will be separately metered for electricity and gas. Each Unit Owner thus will be obligated to pay the bill for electricity and gas consumed in Unit Owner's Unit directly to the utility company.

No representation or guaranty is made that a particular Unit Owner's actual electricity or gas costs will be as projected. Indeed, actual costs will vary from the projections due to such factors as different usage by different Unit Owners, weather conditions, air conditioning usage, any special electrical equipment used by residents, other variables and rate fluctuations.

World Class Management, Inc.
1862 East Tremont Avenue ◆ Bronx, New York 10460 ◆ (718) 239-7145 ◆ Fax: (718) 239-7217

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-1

February 28, 2005

Harlem Infil, LLC
28 E 28 Street 9th Fl.
New York, New York 10016

Re: 374 Manhattan Condominium
316-318 West 116th Street
New York, New York ("the condominium")

To Whom It May Concern,

The undersigned has been duly licensed by the state of New York to transact business as a Real Estate Broker, No. 154686. Experienced in preparation of offering plans and the sale of condominium and cooperative apartments. (See Corporate Profile)

At your request in consultation with you and your architect, we have determined the percentages of Common Interest to be allocated to each of the Condominium Units at the Condominium. The percentages of interest of the Units in the Common Elements have been determined in accordance with Real Property Law Section 339-(1). To wit, such Common Interest is based upon the approximate floor space of a Unit subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the Unit. These projected Common Interest percentages are to be incorporated into the declaration as and when recorded in compliance with the Condominium Act.

Very truly yours,

By: Stuart J. West
Name: Stuart J. West
Title: President

Sworn to before me this
2 day of March, 2005

Grayson Walker
Notary Public

Grayson Walker
Notary Public, State of New York
No. 4892528
Qualified in Westchester County
Commission Expires April 30, 2007

"If not a licensed broker, specify other qualifications as an expert in this area.

World Class Management, Inc.

A Corporate Profile



1862 East Tremont Avenue ◆ Bronx, New York 10460
(718) 239-7145 ◆ Fax: (718) 239-7217

World Class Management, Inc.

Table of Contents

Corporate Summary	1
Corporate Profile	2 & 3
Management Philosophy	4 & 5
Board of Directors	6, 7 & 8
Organizational Chart	9
Addendum	10

World Class Management, Inc.

1862 East Tremont Avenue ◆ Bronx, New York 10460 ◆ (718) 239-7145 ◆ Fax: (718) 239-7217

Summary

- Operations are from the main office in the Bronx.
- Licensed Real Estate Company, fully insured and bonded.
- Computerized network, providing complete accounting, financial and other reporting, including general ledger.
- Staff of 38, comprised of field supervisors, site managers, accountants, bookkeepers, superintendents, handymen and porters.
- Consultants and engineers on call when needed.
- Three landlord/tenant attorneys and a corporate lawyer on retainer.
- Operations center includes 24-hour, seven days a week service.
- Offer full and complete management financial and accounting services, or just consultation.

Corporate Profile

World Class Management Inc., is a new and exciting professional management company. We strive to provide the highest quality real estate management services for property owners and residents.

In order for ***World Class Management Inc.,*** to complete and manage at the highest level, it is necessary for all of our employees to receive appropriate education in concepts and skills. Seminars and monthly managers meetings provide additional learning for our staff. Our managers and assistants are certified property managers (CPM). Engineers and other housing consultants are available on call when needed.

Our operations center includes a 24-hour, 7-day a week service. Emergencies are handled immediately through our "always available" communications system.

Our company's objective is to provide the best possible service by giving continuous attention to detail. The Owners personally direct management at all properties.

Our most recent achievement was the successful "turn around" of a financially troubled 900-unit Mitchell-Lama development. A major problem was rent arrears of approximately Seven Hundred Thousand Dollars ($700,000.00). Five percent of apartments were vacant. Our client owed approximately 1.6 Million Dollars in accounts payable. In addition, we successfully improved relationships with dissatisfied tenants. We brought the building up to accepted physical standards by overseeing major repairs and necessary improvements.

We provide, but are not limited to the following services:

Administration

- Recruit, select, hire, supervise, evaluate and monitor site employees.
- Negotiate and/or renew residential and commercial leases.
- Screen and credit check all incoming residents.
- Conduct income reviews and recertifications for government subsidy programs.
- Negotiate and administer vendor service contracts;
- Negotiate union contracts.
- Handle difficult rent arrears and related problems. Institute legal actions (evictions) when necessary.
- Identify and negotiate all insurance coverage.

Operating/Maintenance

- Respond to residents' request for services.
- Provide for utility services.
- Develop and implement an energy conservation program.
- Oversee maintenance and heating plant and other mechanical systems and equipment.
- Establish a preventive maintenance program.
- Determine and provide for security needs.
- Conduct periodic apartment inspections to assess physical condition.
- Maintain vermin and pest control.
- Correct building code violations.
- Oversee janitorial and other housekeeping services.
- Coordinate senior citizen social/nutrition programs.

Accounting

- Establish and Maintain complete Financial Accounting Systems.
- Report to owners and agencies from our in-house computer.
- Prepare, obtain approval, and administer annual budget.
- Collect rents/maintenance charges, other charges and receivables.
- Prepare, analyze and evaluate financial reports.
- Establish bank accounts for depository of funds.
- Make disbursements to vendors.
- Aid in the preparation of annual financial statement with company's CPA.
- Administer any subsidy programs in effect.
- Responsible for purchasing and inventory control.

Management Philosophy

World Class Management Inc. is incorporated under the laws of the State of New York, as a licensed real estate company and is fully insured and bonded. Altogether, ***World Class Management Inc.*** has more than 25 years of housing management experience. We have managed assets of more that 100 Million Dollars and annual operating budgets in excess of 44 Million Dollars.

Our staff is comprised of a team of technically experienced and dedicated field supervisors, site managers, accountants, bookkeepers, data processing clerks and expediters, who work together in solving problems and servicing our clients' best interest. The diversity of our clients and their properties allows us to adapt our services to suit the needs of each building.

We work with co-op boards, real estate developers, financial institutions, non-profit organizations and governmental agencies. Whether your complex requires full and complete management services, financial and accounting, or just consultation, ***World Class Management Inc.*** has the experience and resources to do it correctly.

World Class Management Inc. has the capacity to effectively manage properties in all five boroughs of New York City, Long Island, and Westchester County. We provide "hands-on" service and have successfully managed more than 12,000 residential and commercial units. These properties varied in types as follows:

- Cooperatives and condominiums.
- Federal subsidized 236 and 221 D3, supervised by New York State Department of Housing and Urban Development Corporation.
- State Mitchell-Lama cooperatives and rentals, supervised by New York State Division of Housing.
- City rent control and rent stabilized, supervised by New York State Housing Preservation Department.
- Properties supervised by syndicates under the Low-Income Housing Tax Credit program.
- Financial institutions and privately owned real estate properties.

Properties, which we have managed, range from small to large multi-unit complex es. Regardless of size, all properties are prioritized and obtain the same degree of personal attention. We work with:

- Co-op/Condominium boards, including active participation in monthly board meetings and granting of our expertise in their decision makings.
- Tenant's associations, by working to resolve their concerns and coordinating residents' service programs.
- Community boards, to ensure adequate public services are provided to owners and residents.

World Class Management Inc. is an associate member of the community boards where the properties we manage are located. We stay abreast of community affairs and interact with government agencies.

Our policy is to maintain a clean, healthy and safe environment for our residents at all times. In our efforts to keep our buildings clean we pay keen attention to the experiences and recommendations of our maintenance staff. In keeping our residents safe and secure we endeavor not to succumb to crime and/or drugs in our developments. We have proudly maintained a reputation of effectively working in tight liaison with the local precincts in an effort minimize the exposure of such evils to our residents. Our management staff rigidly monitors the access of outsiders to our buildings by ensuring that sound locks are placed on the main entrance doors and other doors leading to the building.

During our 25 years of managing properties, there has not been a problem we have not been challenged by...and resolved successfully. ***World Class Management Inc.*** has demonstrated the ability to handle everything including management of the physical asset, marketing and leasing, rent management, cash flow problems, financial reporting and controls, as well as other related real estate concerns.

Board of Directors Profile



Stuart J. West, President
23-3 Woods Brooke Circle
Ossining, New York 10562

Stuart J. West, as General Manager, has more than 15 years of housing management experience. He was the General Manager of a large 5860 Mitchell-Lama cooperative housing development with two commercial malls and professional suites. He was responsible for the administration of an annual budget of $45,000,000, supervision of 350 maintenance and administrative staff, coordination of the operation of an in-house power plant; general maintenance of 20 buildings and coordination of the senior citizens programs.

Mr. West was also General Manager for and/or manager of several management companies where he was responsible for review of asbestos assessment, construction and operation of major capital improvements, maintaining contact with owners and boards, communicating to them the nature and extent of problems and emergencies as they occurred. He also assessed the need for contractual services at the lowest possible cost. He was responsible for compliance with administrative, building and environmental codes of the city of New York, the development and implementation of energy conservation programs and the development of in-house training programs for custodians, thereby increasing productivity and reducing turn-around time for requests for services.

Mr. West is a graduate of Fairmont State Teachers College in West Virginia. He is a Certified Public Housing Manager, certified Apartment Manager, and a member of the New York Association of Realty Managers. He is also a member of the Associated Builders of Greater New York Inc..

Board of Directors Profile



Linda E. West
Vice President
820 Boynton Avenue
Bronx, New York 10473

Linda E. West, as Property Manager has more than 10 years of Housing Management experience. She serves as the Property Manager of a 900 unit Mitchell Lama rental development. Just some of her responsibilities are collections of all receivables and reducing rent arrears. Also preparing bid packages for capital improvements. The development is a viable multi million dollar corporation.

Ms. West is also responsible for twenty seven (27) union employees, union negotiations building inspections, liaison between vendors, contractors and upper management. Ordering and purchasing all maintenance and building supplies. Monitoring all work order request and weekly staff payroll.

Ms. West has much experience with Tenant Associations, Board of Directors, Youth Centers and Senior Citizen Programs.

Ms. West is a graduate of Monroe Business Institute in New York City. She is a Registered Apartment Manager (RAM), and has successfully completed the Certified Advanced Maintenance Practice. She is also a member of the Associated Builders of Greater New York Inc. and the New York Association of Realty Managers (NYARM).

Board of Directors Profile

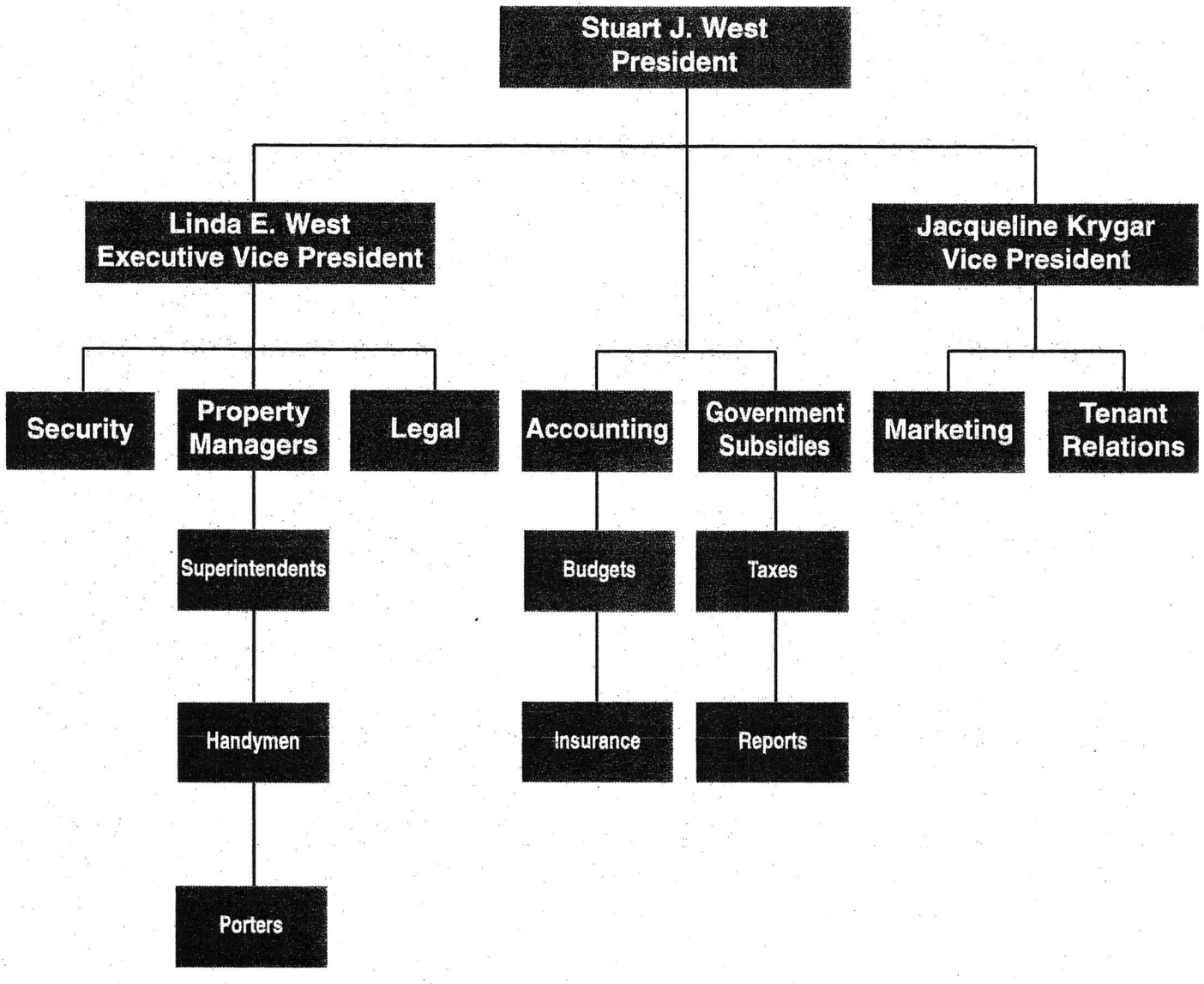


Jacqueline Krygar, Vice President
Licensed Real Estate Broker
500 West 111th Street
New York, New York 10025

Ms. Jacqueline Krygar brings more than ten years of experience in property management. A licensed Real Estate Broker, she has been involved in all aspects of real estate, both residential and commercial, putting together several multi million dollar contracts. Ms. Krygar owned and managed a multi-unit residential complex while operating her own real estate brokerage company. She has negotiated major leases for commercial tenants, interacted with building house council and board committees, created residential handbooks and employee guideline handbooks, and attends community liaison meetings.

Prior to a successful real estate career, Ms. Krygar, a graduate of Moore College in Philadelphia, managed a major retail store chain with responsibilities of 1000 stores across the country and budgets in excess of 150 million dollars. Ms. Krygar has completed her certification in property management and is a member of the National Association of Real Estate Brokers Inc., and the Association of Builders and Owners of Greater New York Inc.

Organizational Chart



ADDENDUM

As of February 2003, through long and arduous negotiations with any number of adversaries and the United States Housing and Urban Department (HUD) we were awarded a sizeable troubled development located in the South Bronx area known as Diego Beekman Mutual Housing Association. The sites consist of (38) Buildings (1210) Units, (11) Commercial spaces, (15) Administrative Staff, (44) Maintenance Staff and (40) Security Agents.

The pertinacious of the aforementioned, was our ability, because of our long time relationship with the Local 32BJ Union to hammer out a positive contract, especially for the owners. In less than a half dozen sessions, we were able to convince the Union that the labor force and labor rates must be significantly reduced. As HUD was in control of the property and with "deep pockets", private industry could not, should not and would not compete with their pricing structure.

The negotiations are final, the contract ratified, the Union and labor force satisfied and most important the Owners are pleased. Lastly, the site continues, on a daily basis, to show outstanding progress throughout the property.

H. CHANGES IN PRICES AND UNITS

1. Changes in Prices

Units are offered at the prices set forth in Schedule A, but Sponsor reserves the right to negotiate prices on an individual basis. Offering prices will be decreased or increased by an amendment to the Plan prior to the new price's use if the change in price is an across-the-board change affecting one or more lines of Units or is a price to be advertised. However, as purchase prices may be changed by Sponsor on an individual basis, Sponsor reserves the right to decrease purchase prices or modify other terms of sale relating to price without filing an amendment to the Plan at any time during the offering if such reduction in purchase price or modification of such other terms of sale is the result of an individually negotiated transaction. Further, Sponsor may enter into an agreement with a purchaser to sell one or more Units at prices higher than those set forth in Schedule A, provided that an amendment containing the new price is submitted to the Department of Law prior to the price's use. An amendment whose sole purpose is to effect a change in price shall be effective immediately upon its receipt by the Department of Law.

No change in the price of a Unit will on its own vary the estimated annual Common Charges or percentage of interest in the Common Elements attributed to that Unit.

Sponsor shall have the right to negotiate changes in other offering terms, as more fully set forth in Part I, Section N of the Plan, entitled "Rights and Obligations of Sponsor."

2. Changes in Units

In order to meet the possible varying demand for number and type of Units, or to meet the particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right at any time, both before and after recording the Declaration and without the consent of Purchasers, Unit Owners or the Board of Managers, with respect to Units owned by Sponsor, to (i) change or reverse the layout of any Unit and make adjustments in interior dimensions of Units, (ii) change the number of rooms in any Unit, (iii) change the size and/or number of Units by subdividing one or more such Units into two or more separate Units, combining separate Units into one or more Units, altering boundary walls of Units, or otherwise, including, without limitation, incorporating any wall, hallway or portion thereof, space, or other area abutting a Unit or Unit(s) owned by Sponsor into one or more of said Units or otherwise, and (iv) if appropriate, reapportion the Common Interest among the Units affected by such change. However, Common Interest need not be reapportioned if a portion of the public hallway is incorporated into a Unit or Units as described above. Changes made by Sponsor pursuant to the foregoing will be disclosed in an amendment to the Plan, and if the Declaration has been recorded, the Declaration will be amended accordingly, as and if appropriate to reflect such changes as well.

Site conditions may cause variations in walls, ceilings, heights and other dimensions from those included in the Floor Plans or otherwise described in this Plan. Except for changes necessitated by site conditions, no material change in size, dimension, floor space, Common Interest or layout will be made to a Unit for which a Purchase Agreement has been executed and delivered to Sponsor without the consent of the Purchaser, unless the Purchaser has defaulted under said Purchase Agreement, was notified of the default and failed to cure said default as provided for in the Purchase Agreement, and Sponsor has terminated the Purchase Agreement. It should be noted in this regard that if the layout and dimensions of a Unit conform substantially to the Plans and Specifications, subject to Sponsor's right to make changes necessitated by site conditions, a Purchaser will not be excused from purchasing the Unit for such reason and will not have any claim against Sponsor as a result of such insubstantial deviation. Sponsor will have no liability to any Purchaser nor will any Purchaser be entitled to a credit, offset or reduction in the

purchase price for Purchaser's Unit or otherwise be relieved from any obligations under the Purchase Agreement, by virtue of a minor inaccuracy or error in the Floor Plans.

Sponsor represents that no material change will be made in the size of Residential Units, their respective percentage of interest in the Common Elements, or in the amount or quality of Common Elements except by amendment to the Plan. In the event that the Declaration has already been filed at the time of any of the foregoing changes, the Declaration also will be amended by Sponsor, as necessary, with the consent of all Unit Owners directly affected, if such consent is required by law or by the Declaration or by the By-laws.

Notwithstanding anything in this Offering Plan to the contrary, if Sponsor must make material changes to size (specifically, if the square foot area of a Unit will diminish by more than 5%), dimension, Common Interest, floor space or layout of Units or to size, dimension, layout, quantity or quality of Common Elements, due to site conditions, governmental requirements or other unforeseen circumstances, Sponsor will amend the Plan accordingly to disclose the changes. Any Purchaser under contract to purchase a Unit whose purchase would be substantially adversely affected by such changes, will be given the right to rescind the Purchase Agreement and at least fifteen (15) days within which to exercise this right, and if rescission is exercised, will receive back the Down Payment made thereunder together with interest earned thereon.

I. PROCEDURE TO PURCHASE

Pre-Offering Plan Lottery

In accordance with the Marketing Procedures included as part of the LDA, prior to the filing of this Plan with the NYS Department of Law, Sponsor advertised in a variety of City-wide and local publications, pursuant to Cooperative Policy Statement No. 1 filed with the Department of Law, and under the supervision of HPD, the fact that the Condominium would be developed. In such advertisements and in presentations to civic, community and religious organizations, Sponsor invited applications from potential purchasers. The format of the application was provided by HPD. Advertising and marketing presentations advised potential purchasers that applications would be drawn by lottery, that a preference for 50% of the Units (e.g., 7 Units) would be given to purchasers residing, as of the date of their application, in Community Board 10 (in which the Project is located), and that an additional preference for 5% of the Units (e.g., 1 Unit), would be given to uniformed officers of the New York City Police Department.

As described in Sponsor's advertisements and marketing presentations, applications were required to be postmarked no later than October 25, 2004 and addressed to a specified post office box. Applications postmarked after that date were set aside for future consideration. The timely-received applications were then randomly drawn by Sponsor in a lottery conducted under the supervision and observation of HPD, opened, and logged into a log book in the order they were drawn (the "***Master Log Book***").

Sponsor then reviewed each application, in the order the applicant's name appeared in the Master Log Book, to determine the applicant's general eligibility based on income, credit and similar criteria. Applicants deemed ineligible were notified in writing and given at least ten (10) days to appeal. If upon appeal the applicant was deemed preliminary eligible, the applicant's name was added to the end of the Master Log Book.

Sponsor then created (i) one sublist of preliminarily eligible applicants from the Master Log Book, in the order their names appeared, with addresses in Community Board 10 (the "***CB Sublist***"), and (ii) a second sublist of preliminarily eligible applicants from the Master Log Book, in the order their names appeared, who appeared to be uniformed members of the NYC Police Department (the "***Police Sublist***"). The CB Sublist and the Police Sublist are referred to collectively as the "***Preference Lists.***"

The Master Log Book together with the CB Sublist and Police Sublist of preliminarily eligible applicants was submitted to HPD for approval. As of February 1, 2005, the Master Log Book contained names of 224 applicants preliminarily approved by Sponsor and HPD, with 36 of those applicants on the CB Sublist and 1 of those applicants on the Police Sublist (collectively, the "***Initial Applicants***").

Upon Acceptance of the Offering Plan for Filing

Following acceptance of the Offering Plan for filing, Sponsor will begin notifying Initial Applicants, in the order in which their names appear in the Master Log Book, although Sponsor will notify applicants on the CB Sublist and Police Sublist in advance of the balance of the names on the Master Log Book until the required community and police department preferences are achieved, as evidenced by signed Purchase Agreements and payment of the requisite down payments. Thereafter the names remaining on the Preference Lists will be integrated back into the Master Log Book into the spot in which they were logged originally.

Sponsor will notify applicable Initial Applicants by letter and will invite them to schedule an appointment at the Sales Office by a specified date to obtain a copy of the Offering Plan and sign a Purchase Agreement. Any person receiving such notice who remains interested in purchasing a Unit, must schedule an appointment at the Sales Office, obtain a copy an Offering Plan, obtain pre-approval for financing from an Institutional Lender in the amount required by Purchaser to complete the purchase, and thereafter sign a Purchase Agreement, within a period not to exceed 15 days from the date of the notice. Upon receipt of the Plan and Purchase Agreement, the potential purchaser must tender a check in the amount of $100 payable to "HARLEM INFIL" as a deposit for the Offering Plan. The deposit is a non-binding expression of interest and does not constitute a reservation or obligation. The deposit will be fully refunded, without interest, upon return of the Plan (in good condition) to Sponsor, within fifteen (15) days after recipient's receipt of the Plan, or upon execution of a Purchase Agreement, whichever is earlier. However, if within the 15-day period following receipt of the Plan the recipient does not execute a Purchase Agreement and does not return the Offering Plan, the $100 deposit becomes non-refundable and may be retained by Sponsor.

Purchasers will be afforded an opportunity to review the Offering Plan prior to executing a Purchase Agreement, the form of which is contained in Part II of this Plan. The Purchase Agreement shall be binding on Purchaser if accepted by Sponsor as set forth below.

At Sponsor's option, potential Purchasers shall be afforded a period of at least three (3) business days to review the Plan and all filed amendments thereto prior to executing a Purchase Agreement or shall be requested to execute such agreement prior to expiration of such 3-day period. A Purchaser who executes a Purchase Agreement and deposits the requisite down payment without having the opportunity to review the Offering Plan for at least three (3) business days, shall have the right to rescind the Purchase Agreement and receive back the down payment check tendered to Sponsor within seven (7) days after the execution of the Purchase Agreement, provided Purchaser's written notice of rescission is personally delivered to Sponsor at the Sales Office by the end of the seventh calendar day after execution of the Purchase Agreement or mailed to Sponsor c/o Phillip Morrow, P.O. Box 444, Bronx, NY 10455 and post marked within the seven (7) day period.

If at the time an Initial Applicant meets with Sponsor at the Sales Office the Unit desired by that applicant is already under contract, the applicant will be offered any of the unsold Units as an alternative. As a further alternative, the applicant may ask to be listed as a back-up buyer for the preferred Unit in case the pending sale falls through. When Sponsor has 4 back-up buyers for a Unit, Sponsor will close the back-up list for that Unit. Back-up buyers will be contacted in the order they are listed if a prior pending transaction for the Unit falls through.

A Purchaser entering into a Purchase Agreement shall be required to make a down payment equal to 10% of the purchase price for the Unit at time of signing.

Sponsor will offer a $5,000 kitchen counter upgrade package which will allow Purchasers to elect to have Sponsor install granite rather than Formica countertops in the Unit's kitchen (the "***Kitchen Counter Upgrade Option***"). The Kitchen Counter Upgrade Option must be elected or waived at the time the Purchase Agreement is executed and, if elected, payment must be made simultaneously with execution of the Purchase Agreement and payment of the 10% down payment. Penthouse Unit terraces, as mentioned elsewhere in this Plan, are required to be protected by Unit Owners prior to use. Accordingly, in addition to the Kitchen Counter Upgrade Option, Sponsor will offer a decking installation option (the "***Decking Option***"), pursuant to which Sponsor will install 2' x 2' x 2" concrete pavers at a cost of $6,250 for the PHA deck and $12,470 for the two decks appurtenant to PHB. The Decking Option must be elected or waived and the cost of same must be paid, at the time the Purchase Agreement is

executed. Payments for the Kitchen Counter Upgrade Option and the Decking Option will initially be placed in escrow together with the down payment. However, these payments are not refundable once the cost of the option is incurred by Sponsor. Such payments may be released from escrow to Sponsor once Sponsor has incurred the cost of same and provides a certification to that effect to Escrow Agent. As a result, if a Purchaser who made such special work payment is entitled to rescission of his or her Purchase Agreement, Purchaser will not receive a refund of any funds certified as required to pay for costs incurred by Sponsor in connection with the Counter Upgrade Option or Decking Option, as applicable.

If Purchaser comprises two or more parties, all parties comprising Purchaser shall execute and deliver simultaneously with the Purchase Agreement, a statement designating one of the parties to receive the interest earned on the down payment. Form W-9 or applicable Form W-8, as appropriate, for Purchaser or the designated interest-recipient, as applicable, must be executed and delivered simultaneously with the Purchase Agreement as well.

Within fifteen (15) business days after delivery by Purchaser to Sponsor of an executed Purchase Agreement, together with the required down payment and the pre-approval letter from an Institutional Lender, Sponsor will either accept the Purchase Agreement and cause to be returned to Purchaser a fully executed counterpart thereof, or reject the Purchase Agreement and refund the down payment tendered (without interest). Sponsor reserves the right to request thorough identification and financial information concerning prospective purchasers, subject to limitations imposed by law. The Purchase Agreement will not be binding upon Sponsor until a copy executed by or on behalf of Sponsor is delivered to Purchaser.

Sponsor reserves the right at any time and from time to time for any reason whatsoever (except as prohibited by law), without prior notice or prior amendment to the Plan, to refuse to accept and execute a Purchase Agreement for any Unit, or to refuse to accept and execute a Purchase Agreement or Purchase Agreements (as the case may be) for more than one Residential Unit to any one person or entity. Sponsor also reserves the right without prior notice or prior amendment to the Plan, to hold one or any number of Units off the market and to not offer same for sale from time to time and at any time during this offering. In addition, Sponsor advises Purchasers that it is HPD's policy to prohibit residents of existing HPD-sponsored projects to buy under the Vacant Building 2000 program of which this Project is a part. Thus Sponsor reserves the right not to invite such potential purchasers to enter into Purchase Agreements if by oversight they were listed as Initial Applicants.

At Purchaser's request, a Purchase Agreement will be contingent upon Purchaser's receipt, within thirty (30) days after Purchaser's receipt of a fully executed counterpart of the Purchase Agreement from Sponsor, of a written commitment from an Institutional Lender to make a purchase money loan to Purchaser in the amount listed in the Purchase Agreement (the "***Financing Commitment***"). **If Purchaser does not receive a written commitment from an Institutional Lender within said thirty (30) day period, time shall be of the essence with respect to Purchaser's obligation to notify Sponsor, in writing, of Purchaser's request to (i) terminate the Purchase Agreement, (ii) extend the time to obtain a written commitment, or (iii) affirm the purchase as an all-cash transaction.** Sponsor shall, however, have no obligation to extend the time period to obtain a Financing Commitment. Sponsor makes no representation as to the availability of any such financing. Purchasers are advised that even if they receive a Financing Commitment, its term may be limited and it may expire prior to the Unit Closing Date unless extended by Purchaser. Such extension, if necessary, may require payment of a fee, which fee shall be solely Purchaser's obligation to pay. (For further details, see the Purchase Agreement located in Part II of the Plan.)

The form of Purchase Agreement contained in Part II of the Plan does not contain any provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law. Neither the Plan nor the form of Purchase Agreement may be amended or modified to contain any provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law.

Risk of loss with respect to a Unit under contract to be sold remains with Sponsor until Purchaser's closing under the Purchase Agreement. However, if a Purchaser takes occupancy prior to closing through interim lease or otherwise, Purchaser will be obligated to obtain renter's insurance to cover losses to Purchaser's personal belongings in the event of casualty while Purchaser is a tenant, as to which Sponsor shall have no liability. In the event of casualty to the Unit prior to closing when Purchaser occupies the Unit pursuant to interim lease or otherwise, Purchaser will be obligated to pay the difference between the amount of loss covered by insurance carried by Sponsor or the Board of Managers, and the actual loss.

Purchase Agreements are not assignable without Sponsor's consent, which consent may be withheld for any reason or no reason. Consent, if given, may be conditioned, among other things, upon Purchaser's payment of a fee or other charge in connection with the assignment. In addition, prior to closing of title to a Unit, a Purchaser may not advertise or otherwise offer, promote, or publicize the availability of such Unit for sale or lease. Violations of either of the two foregoing provisions shall be considered defaults under the Purchase Agreement.

Escrow Account

Sponsor will cause all cash down payments received from Purchasers, directly or through Sponsor's agents or employees, to be delivered to Mallin & Goldstein LLP Sponsor's Closing Counsel, to be held in escrow in accordance with this Plan. Sponsor's Closing Counsel will serve as escrow agent ("***Escrow Agent***") for Purchasers' down payment monies received from Sponsor.

Escrow Agent will, upon receipt from Sponsor or Selling Agent of down payment funds paid by a Purchaser together with a copy of a completed Purchase Agreement and all required ancillary documents executed by Purchaser as described herein, deposit the funds in Purchaser's name in a special segregated interest-bearing sub-account of a master attorney trust account entitled "374 Manhattan Condominium - Attorney Trust Account" (the "***Escrow Account***") maintained by Escrow Agent at HSBC. (the "***Escrow Bank***") at the Escrow Bank's branch located at 110 William Street, New York, NY or at such other lending institution in which the firm elects to maintain its attorney trust account. Consistent with foregoing, unless and until Escrow Agent is provided with a complete original Form W-9 (or applicable Form W-8 if necessary) executed by Purchaser (or, if Purchaser comprises more than one party, executed by one of the parties comprising Purchaser designated by all parties comprising Purchaser to serve as recipient of the interest earned on the down payment), the down payment funds cannot be deposited in the Escrow Account. Thus Purchaser must deliver the applicable Form W-8 or Form W-9 executed by Purchaser or the designated interest-recipient, as applicable, together with the Purchase Agreement and down payment check and the interest-recipient designation form, if applicable, before the Purchase Agreement will be deemed completed by Purchaser.

The Escrow Account will be an interest-bearing account. Subject to the foregoing, interest will begin to accrue when the funds deposited in the Escrow Account "clear" in accordance with the requirements of law governing the deposit of funds. The interest rate on escrow accounts similar to the Escrow Account, as of February 25, 2005, was .35% per year. Sponsor makes no representation as to the interest rate that may be in effect while a Purchaser's funds are on deposit in the Escrow Account.

Subject to the conditions discussed in this paragraph, in accordance with the regulations of the Federal Deposit Insurance Corporation ("***FDIC***"), deposits at Escrow Bank in Purchaser's name should be covered by FDIC insurance to a maximum of $100,000. Purchasers of Units having a purchase price in excess of $1,000,000 and thus requiring down payments in excess of $100,000 are advised accordingly. Sponsor is advised that the FDIC advises consumers that for purpose of computing insurance coverage, all deposits in a party's name in a banking institution are added together and insured to a maximum of $100,000 in the aggregate. Accrued interest through the date of a financial institution's failure also is included when calculating insurance coverage. Thus, if a Purchaser already has or opens an account at Escrow Bank in the same name in which the Down Payment is deposited, and should the Escrow Bank fail and the FDIC insurance be called upon, the funds in that account will be aggregated with the Down Payment and insured to a maximum of $100,000. The FDIC further advises consumers that a depositor cannot increase FDIC insurance coverage by dividing funds owned in the same ownership category among different accounts in the same name. No representation is made by Escrow Agent or Sponsor that the FDIC will insure any depositor's funds, if and when called upon to do so. Neither Escrow Agent or Sponsor will incur any liability whatsoever under this Plan or otherwise if the FDIC, when and if called upon, fails or refuses to insure the Down Payment (or any other funds maintained by Purchaser in Escrow Bank) or if the FDIC insures only a portion thereof.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any legal obligation of the Escrow Agent to hold the down payment funds as trust funds pursuant to law, is absolutely void. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

Within five (5) business days after tender by Purchaser of the requisite down payment and the Purchase Agreement signed by all necessary parties and expiration of any rescission period granted to Purchaser by Sponsor, the down payment funds shall be delivered by Sponsor or Selling Agent to Escrow Agent for deposit into the Escrow Account. Within ten (10) business days after Escrow Agent has received the executed Purchase Agreement, the down payment funds, the interest-recipient designation form and executed Form W-9 or applicable W-8 completed as described above for the Purchaser or other interest-recipient, Purchaser will be notified by Escrow Agent of the deposit, the account number and the initial interest rate. Notice mailed to a Purchaser at the address set forth in the Purchase Agreement shall be deemed delivered to Purchaser and received by Purchaser, whether or not it is actually received, and shall be deemed received on the date mailed.

If Purchaser does not receive notice of deposit of the down payment within fifteen (15) business days after tender of the down payment funds, delivery of Form W-9 or W-8, as applicable, and expiration of any rescission period granted to Purchaser by Sponsor, Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender by Purchaser of the down payment. Purchaser may also apply to the Attorney General for relief pursuant to the down payment dispute resolution provisions of the Attorney General's regulations, using the form promulgated by the Attorney General for that purpose, a copy of which is contained in Part II of this Plan. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrow funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

The Escrow Agent will maintain funds in escrow until: (i) Purchaser's closing under the Purchase Agreement, in which event the funds will be paid to Sponsor (or anyone Sponsor directs), without any further authorization by Purchaser required, or (ii) Purchaser's permitted rescission of the Purchase Agreement (in which event the funds will be paid to Purchaser), or (iii) Sponsor's termination of

the Purchase Agreement following Purchaser's continuing default under the Purchase Agreement after delivery to Purchaser by Sponsor of a notice of default and expiration of the applicable cure period in accordance with the Plan and the Purchase Agreement (in which event the funds will be paid to Sponsor), or (iv) otherwise directed in a writing signed by both Sponsor and Purchaser directing the disposition of such funds, or (v) otherwise directed by a determination of the Attorney General directing the disposition of such funds pursuant to the dispute resolution procedures contained in the Attorney General's regulations, or (vi) otherwise directed by a judgment or order of a court of competent jurisdiction directing the disposition of such funds, or (vii) the Escrow Agent is changed in connection with a transfer of funds to a new escrow agent, or (viii) Sponsor's abandonment of the Plan (in which event the funds will be paid to Purchaser).

Notwithstanding anything to the contrary contained in this Offering Plan, in no event will Sponsor apply for release of escrowed funds of a defaulting Purchaser until after the Plan has been consummated (that is, until after the Plan has been declared effective, the Declaration has been recorded and the First Unit Closing shall have occurred). Consummation of the Plan does not relieve Sponsor of its obligations under General Business Law § 352-h.

If there is no closing under the Purchase Agreement and there is no written agreement between the parties to release the escrow funds, and if there is no court order or Attorney General determination respecting disposition of the funds, Escrow Agent shall not pay the funds to Sponsor until Escrow Agent has given Purchaser written notice of at least ten (10) business days. For purposes of this provision, notice shall be deemed given if delivered by hand to Purchaser or Purchaser's counsel at the address set forth in the Purchase Agreement or if mailed to Purchaser or Purchaser's counsel at the address set forth in the Purchase Agreement whether or not it is actually received, and shall be deemed given on the date delivered if delivered by hand or five (5) business days after the date mailed if mailed. Thereafter, the funds may be paid to Sponsor unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and the Escrow Agent has received actual prior notice of such application in writing from Purchaser in accordance with the dispute resolution provisions. Escrow Agent shall be entitled to act upon any document believed by it, in its reasonable judgment, to be genuine. Release of funds from the Escrow Account requires written authorization from a partner of Escrow Agent who is an authorized signatory on the Escrow Account.

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

Any interest earned on the down payment funds will be paid to Purchaser at Purchaser's closing. Upon Purchaser's permitted rescission of a Purchase Agreement or upon termination of a Purchase Agreement pursuant to agreement with Sponsor, interest earned on the down payment shall be paid as Sponsor and/or Sponsor and Purchaser, as applicable, shall direct. Upon Sponsor's abandonment of the Plan, interest, if any, earned on the down payment, shall be paid to Purchaser.

Purchasers and the Escrow Agent <u>may</u> apply to the Attorney General in the event of a dispute for a determination on the disposition of the down payment and any interest thereon. Sponsor <u>must</u> avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is contained in Part II of the Plan and is also available at the Department of Law. The party applying for a determination must contemporaneously send all other parties a copy of the application by certified mail, return receipt requested. Pending determination of the Attorney General to grant or deny the application

to release escrow funds, Sponsor, Purchaser, and Escrow Agent are to abide by any interim directive issued by the Attorney General.

If the application permitting release of funds is granted, the deposit and any interest earned thereon shall be disposed of in accordance with the determination of the Attorney General. If the application seeking release of funds is denied, Escrow Agent shall hold the funds and any interest earned thereon until the earlier of the following events: (i) Sponsor and Purchaser direct payment to a specified party in accordance with a written directive signed by both Sponsor and Purchaser, (ii) a judgment or order of a court of competent jurisdiction is served on Escrow Agent, or (iii) Escrow Agent deposits the disputed amount into court. In no event shall Escrow Agent release funds in dispute, other than a payment of such funds into court, until such dispute is finally resolved either by determination of the Attorney General or by order or judgment of a court of competent jurisdiction, or by written agreement of Sponsor and Purchaser.

Escrow Agent is obligated to maintain all records concerning the Escrow Account for seven years after release of funds.

Subject to the foregoing, in the event of an uncured default by Purchaser, the down payment plus interest earned thereon, may be retained by Sponsor as liquidated damages.

Escrow Agent will send IRS 1099-INT. notices reflecting interest earned on the down payment while it is in the Escrow Account to (i) Purchaser's address set forth in the Purchase Agreement with respect to notices sent prior to Purchaser's closing, and (ii) the address to which the Managing Agent sends invoices for Common Charges, with respect to notices sent after Purchaser's closing.

Before funds are transferred to a new escrow account, or if Escrow Agent is replaced, the Plan will be amended to provide the same full disclosure with respect to the new escrow account and new escrow agent as provided herein.

Pre-Closing Inspection of Unit

Sponsor will advise Purchaser of a date and time prior to the Original Scheduled Closing Date (defined below) when Purchaser may inspect the Unit. Purchaser may not inspect the Unit until Sponsor has notified Purchaser that the Unit is ready for inspection. Purchaser shall attend such inspection with Sponsor's representative, and shall, together with Sponsor's representative, complete, date and sign an Inspection Statement, a form of which is contained in Part II of the Plan (the "***Inspection Statement***") at the conclusion of the inspection. If, however, during the inspection Purchaser notes certain Punchlist Items that Sponsor, through its inspection representative, agrees to complete, repair or replace, these Punchlist Items shall be itemized on a list attached to the Inspection Statement (the "***Punchlist***"). ***The Punchlist and each Punchlist Item thereon, must be initialed by Sponsor's representative and signed and dated by both Sponsor's representative and Purchaser to be binding on Sponsor. The only Punchlist Items Sponsor shall be obligated to complete shall be those contained in such initialed and dated Punchlist.***

Purchaser's failure to attend the inspection appointment as described above, or to sign and deliver the completed Inspection Statement and/or Punchlist, shall not excuse Purchaser from paying the balance due at closing and shall constitute Purchaser's full and unconditional acceptance of the Unit in its "as-is" condition.

No discussion of Punchlist Items is to take place at the closing itself.

To the extent Sponsor agrees to attend to items on the Punchlist and Sponsor is unable to complete one or more of such items prior to the Unit Closing Date, Sponsor will make reasonable efforts to have these items attended to within a reasonable period of time days following Purchaser's Unit Closing provided Purchaser permits Sponsor access to do so, as set forth in the Inspection Statement. That is, if, following the Unit Closing, Purchaser, as Unit Owner, fails to provide access to the Unit within ten (10) days after Sponsor or its agent or contractor has notified Purchaser of Sponsor's intention to complete a Punchlist Item in the Unit, Sponsor shall have no further obligation to complete that Punchlist Item.

Sponsor's agreement to complete Punchlist Items on the Inspection Statement Punchlist shall obligate Sponsor to perform Sponsor's work in accordance with (i) the standards for Sponsor's work set forth therefor in the Plan, (ii) applicable code, and the (iii) Plans and Specifications. Purchaser's execution of the Inspection Statement shall obligate Purchaser to provide access to Sponsor and/or its contractors and agents, to perform the work specified therein. Purchaser's failure to permit Sponsor (or Sponsor's contractors, agents or employees) access to the Unit to complete Punchlist Items, shall constitute Purchaser's waiver of completion of the Punchlist Items.

Closings

As set forth elsewhere in this Plan, Sponsor anticipates but does not warrant or represent, that the First Unit Closing will be scheduled to occur, and thus the first year of Condominium operation will begin, on or about June 1, 2005. If the actual date scheduled for the First Unit Closing differs by 12 months or more from the projected commencement date for the first year of Condominium operation set forth in the Plan as same may be amended, Sponsor will offer Purchasers the right, for a period of at least fifteen (15) days, to rescind their Purchase Agreements and have their down payments refunded.

After the Plan has been declared effective as described in Part I, Section K of the Plan, Purchasers will be given at least thirty (30) days' prior written notice of their closing. The scheduled closing date listed in that notice is referred to as the "***Original Scheduled Closing Date***." If a Purchaser desires to close on less than said thirty (30) day notice, Sponsor shall be permitted to do so, if Purchaser specifically waives the 30-day notice provision. The Original Scheduled Closing Date will be a date at least ten (10) days after an amendment disclosing that the Plan has been declared effective has been accepted for filing by the Department of Law. The notice of closing will remind Purchasers that the balance of the purchase price is due at closing and will provide information as to the amount of the payment and/or adjustment of Common Charges and real estate taxes for the month in which title closes due at Closing as well. Closings will be held at the offices of Sponsor's Closing Counsel, Mallin & Goldstein, 132 Nassau Street, New York, New York.

At the time of closing each Purchaser will be required to pay the New York City Real Property Transfer Tax, the New York State Real Estate Transfer Tax and the Mansion Tax, if any, with respect to the Unit. (See Part I, Section M entitled "Closing Costs and Adjustments" for cost details.)

At closing, the balance of the purchase price for the Unit, shall be paid by an unendorsed bank or cashier's check(s) or unendorsed personal certified check(s) of Purchaser drawn on or issued by a New York bank, trust company or other New York lending institution which is a member of the New York Clearing House Association (unless Sponsor agrees otherwise), payable to Sponsor (or to any one Sponsor designates or directs). Alternatively, at Purchaser's request, Sponsor will cooperate to facilitate wire transfers of the balance of the purchase price due at closing.

At closing Sponsor will provide Purchaser with a FIRPTA certification, and, if Purchaser is not financing the purchase, with a copy of Form 1099S which Sponsor will cause to be filed following the closing, with the Internal Revenue Service. If Purchaser is financing the purchase, Purchaser's lender's attorneys shall be obligated to file Form 1099S and to provide a copy thereof to Sponsor at the closing.

At the time of closing each Purchaser will be required to sign a power of attorney to the Board of Managers in the form contained in Part II of the Plan.

A Purchaser who fails to pay the balance due under the Purchase Agreement on the Original Scheduled Closing Date or any permitted adjournment thereof, or fails to honor any other obligation under the Purchase Agreement will be in default under the Purchase Agreement. Sponsor shall notify any such Purchaser of Purchaser's default in writing, shall specify the reason Purchaser is in default and shall grant Purchaser a period of at least thirty (30) days within which to cure said default. **SPONSOR RESERVES THE RIGHT TO MAKE TIME OF THE ESSENCE WITH RESPECT TO PURCHASER'S OPPORTUNITY TO CURE ANY DEFAULT WITHIN THE SPECIFIED CURE PERIOD. AFTER THE SPECIFIED CURE PERIOD EXPIRES, IF PURCHASER'S DEFAULT REMAINS UNCURED, SPONSOR MAY TERMINATE THE PURCHASE AGREEMENT, RETAIN PURCHASER'S DOWN PAYMENT (INCLUDING ANY ADDITIONAL DOWN PAYMENT THAT PURCHASER MAY HAVE MADE IN CONSIDERATION OF SPONSOR'S GRANTING AN ADJOURNMENT OF THE CLOSING AS DESCRIBED BELOW) TOGETHER WITH INTEREST EARNED THEREON (IF ANY) AS LIQUIDATED DAMAGES, AND SELL THE UNIT TO ANOTHER PURCHASER AS IF THE PURCHASE AGREEMENT HAD NEVER BEEN MADE.**

If Purchaser is not ready to close on the Original Scheduled Closing Date, any adjournment of the closing granted by Sponsor at Purchaser's request will, at Sponsor's discretion, be on the condition that (i) all adjustments made at closing (and described in "Closing Costs and Adjustments" in Part I, Section M of the Plan) will be made as of the Original Scheduled Closing Date, and (ii) Purchaser shall pay Sponsor at closing, by unendorsed personal certified or bank check drawn on a bank that is a member of the New York Clearinghouse Association, an amount derived by (a) multiplying the purchase price for the Unit(s) being purchased by 14%, (b) dividing that product by 365, and (c) multiplying the resulting amount by the number of days the closing is delayed, beginning with the Original Scheduled Closing Date and ending with the actual closing date. In addition, Sponsor reserves the right to make time of the essence with respect to Purchaser's obligation to close on a rescheduled closing date requested by Purchaser to which Sponsor consents. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the closing date. However, the provisions shall apply to any postponements by Purchaser of the agreed-upon adjourned closing date. Sponsor reserves the right to waive any or all of the provisions of this paragraph.

If Purchaser requests more than one adjournment of the Original Scheduled Closing Date, or if Purchaser requests an adjournment of the Original Scheduled Closing Date in excess of thirty (30) days, Sponsor shall have the right to require that as a condition of the adjournment Purchaser must deposit an additional payment in the amount of up to 5% of the purchase price for the Unit(s) being purchased into escrow with the Escrow Agent, which additional payment shall be deemed part of and shall be handled in the same manner as the down payment already paid by Purchaser. Sponsor also shall have the unilateral right to make time of the essence with respect to Purchaser's obligation to close on any rescheduled closing date to which Sponsor consents. A time of the essence obligation means that if Purchaser fails to close on the rescheduled closing date for any reason whatsoever, Sponsor has the right

to terminate the Purchase Agreement and retain Purchaser's down payment and any additional down payment made pursuant to this paragraph, and all interest earned thereon, as liquidated damages.

In the event Sponsor cannot convey title to the Unit in accordance with the Purchase Agreement by reason other than default of the Purchaser, Sponsor's sole liability shall be to return to Purchaser all monies deposited by Purchaser, with interest, if any has been earned thereon.

The Purchase Agreement is contingent upon Sponsor declaring the Plan effective, as described in Part I, Section K of this Plan. If the Plan is abandoned, Purchase Agreements will be cancelled, and all monies held by Sponsor shall be returned to Purchasers, with interest earned thereon, if any.

Purchaser's move-in will be scheduled for a business day (i.e., a Monday through Friday that is not a legal or religious holiday) that is within five (5) business days following Purchaser's Unit Closing (or such later date as Purchaser shall request). No representation is made that Purchaser will be able to schedule a move-in other than within said 5-day period (or such later date as Purchaser shall request). Move-ins are to be coordinated with and scheduled through the Managing Agent. Only one move-in per day will be scheduled. All move-ins will be scheduled to begin no earlier than 9:00 a.m. and to conclude no later than 5:00 p.m.

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

J. INTERIM LEASES AND USE AND OCCUPANCY AGREEMENTS

Sponsor reserves the right, both before and after the recording of the Declaration of Condominium, and prior to the closing of title to a particular Unit, to enter into, at Sponsor's sole discretion, (i) a lease for said Unit (an "***Interim Lease***") or (ii) a use and occupancy agreement for the Unit (an "***Occupancy Agreement***") with a prospective Purchaser who has executed a Purchase Agreement and paid the requisite down payment, for such rent or occupancy fee, as applicable, and on such conditions as may be agreed to between Sponsor and Purchaser. Any such lease Interim Lease or Occupancy Agreement may provide that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the Interim Lease or Occupancy Agreement will constitute a default under the Interim Lease or Occupancy Agreement entitling Sponsor, at its sole option, to immediately terminate the Interim Lease or Occupancy Agreement. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any Interim Lease or Occupancy Agreement with respect to the Unit which is the subject of the Purchase Agreement, including but not limited to payment of rent or occupancy fee as and when due, will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to immediately terminate such Purchase Agreement and exercise any remedies provided therein.

Before Sponsor may utilize a default under an Interim Lease to declare a default under a Purchase Agreement, Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser, unless Purchaser has vacated the Unit.

The Interim Lease or Occupancy Agreement shall terminate upon Purchaser's default thereunder and Purchaser shall be obligated to vacate the Unit upon the effective termination date of the Interim Lease or Occupancy Agreement.

K. EFFECTIVE DATE

In accordance with the requirements of its construction lender, Sponsor will not declare the Plan effective until Sponsor has received and executed Purchase Agreements with bona fide Purchasers for at least 15% of the Units offered under the Plan (i.e., Purchase Agreements for at least 3 Units), although Sponsor will not be obligated to declare the Plan effective at that time. Sponsor will not be obligated to declare the Plan effective unless and until Sponsor has received, accepted and executed Purchase Agreements for 80% of the Units offered hereunder (i.e., Purchase Agreements for 12 Units).

The Plan will not be declared effective based on Purchase Agreements (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or that has not been waived, or (ii) with any Purchaser who is Sponsor or is a principal of Sponsor or is related to Sponsor or to any principal of Sponsor by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner, except that such a Purchaser may be included in the count to establish effectiveness if Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide, or (iii) signed by Purchasers who have not been afforded the protections required by 13 NYCRR § 20.3(o)(15).*

The 15% sales threshold upon which Sponsor's declaration of effectiveness is based may include all Purchase Agreements entered into with a single Purchaser acquiring more than one Unit, as well as all Purchase Agreements entered into with Purchasers buying one Unit.

Notification of effectiveness will be by amendment to this Plan or by written notice to all Purchasers. If the declaration of effectiveness is communicated by written notice to Purchasers, then within five (5) business days after service of such notice on Purchasers, Sponsor will submit for filing an amendment incorporating the notice of declaration of effectiveness.

The Plan may be abandoned by Sponsor, at its sole option, at any time before Sponsor declares the Plan effective or before Sponsor has received and accepted Purchase Agreements for 80% of the Residential Units offered hereunder. Within ten (10) business days after abandonment, all down payment monies paid by Purchasers who are not then in default under their Purchase Agreements (or who did not previously default under their Purchase Agreements and forfeit their down payments), shall be refunded to them in full with interest, if any has been earned thereon. Sponsor shall promptly submit for filing to the Department of Law an amendment to the Plan disclosing the Plan's abandonment and a notice of abandonment on Form RS-3, or such other form as may then be required by the Department of Law setting forth the reason for abandonment and disposition of all funds received.

Once Sponsor declares the Plan effective or executed Purchase Agreements for 80% of the Residential Units have been received and accepted by Sponsor, the Plan may not be abandoned for any reason other than (i) title defects which cannot be cured without litigation or which can be cured only by incurring expenditures in excess of $52,834.30 in the aggregate, or (ii) substantial damage to or destruction of the Building by fire or other casualty which can be cured only by Sponsor incurring expenditures in excess of $52,834.30 or (iii) a taking of all or any material part of the Property in

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* This provision requires, as expressly set forth in the Purchase Agreement itself, that Purchaser shall be given (i) at least three (3) business days to review the Plan and all amendments thereto prior to signing a Purchase Agreement, or (ii) an opportunity for seven (7) days after signing a Purchase Agreement to rescind the Purchase Agreement.

condemnation proceedings or eminent domain. Except as set forth in the preceding sentence, there will be no obligation of Sponsor to incur any expense or engage in litigation to cure title defects or obtain consents to prevent abandonment of the Plan after it has been declared effective.

L. CLOSING OF TITLE TO UNITS

The term "closing of title" (alternately referred to as a "Unit Closing" or simply as "closing") as used in this Plan means the conveyance of title to a Unit from Sponsor to a Purchaser pursuant to a Purchase Agreement.

The closing date for each Unit will be set by Sponsor and will be at least ten (10) days after an amendment reflecting that Sponsor has declared the Plan effective has been accepted for filing by the Department of Law and on at least thirty (30) days' prior written notice of closing to Purchaser, unless, however, Purchaser has requested to close on less than said thirty (30) days' notice, in which event Sponsor and Purchaser shall have the right to close earlier. Sponsor shall have the right from time to time to adjourn closing dates set by Sponsor, upon prior notice to Purchasers.

All personal property or fixtures located in a Unit, if any, on the date the Purchase Agreement for that Unit is executed, which are owned by Sponsor, are included in the sale to Purchaser unless expressly excluded in the Purchase Agreement. Notwithstanding the foregoing, furnishings and other personal property in a Unit used as a model apartment are not included in the sale of that Unit unless the Purchase Agreement expressly and specifically provides they are included.

Purchaser shall be given an opportunity to inspect the Unit prior to closing as discussed in Part I, Section I of the Plan under the subheading "Pre-Closing Inspection of Unit." Any work remaining to be done in the Unit pursuant to the Plan and/or the Purchase Agreement, which Sponsor agrees to complete, shall be itemized on a Punchlist attached to an Inspection Statement, the form of which is contained in Part II of the Plan. For Sponsor to be obligated to complete Punchlist Items, the Punchlist must be signed by both Sponsor and Purchaser at the time of inspection.

Sponsor will not close title to a Unit under a Purchase Agreement unless the Unit is covered by at least a temporary certificate of occupancy. The Department of Law requires that Purchaser may not close or take title to a Unit until the Unit is covered by at least a temporary certificate of occupancy, even if Purchaser desires to close title prior to issuance of a temporary certificate of occupancy covering the Unit. If a temporary or permanent certificate of occupancy has been issued for a Unit, the Purchaser will be obligated to accept title to the Unit without abatement of the purchase price or provision for escrow, despite incomplete construction of (i) minor details of the Unit, (ii) other Units, (iii) the Common Elements, or (iv) Limited Common Elements, customarily left incomplete until after occupancy of the Unit.

The construction loan encumbering the Property will be paid in increments out of the proceeds of sale of closings of individual Units as they occur and thus it is anticipated that the construction loan will remain a lien upon a Unit until the Unit is sold and closed. In order that the Unit to be closed may be conveyed free and clear of the lien of the construction loan as required under this Plan, the construction lender will release each Unit from the lien of the construction loan in conjunction with the closing of the Unit and the loan will remain a lien only on Units still owned by Sponsor on that date.

Risk of loss, damage or destruction from fire or other casualty (collectively "***Loss***") to a Unit remains with Sponsor until Purchaser's closing of title to the Unit. In the event of Loss prior to closing a Unit under contract, Sponsor shall have the right, but not the obligation, to restore or rebuild the Unit. In addition, under certain circumstances, as described below, Sponsor may elect not to restore the Unit and to abandon the Plan. If Purchaser takes occupancy of a Unit prior to closing, pursuant to interim lease or otherwise, Purchaser shall be obligated to obtain renter's insurance to cover losses to Purchaser's belongings in the event of casualty, as to which losses Sponsor shall have no liability.

In the event of Loss to a Unit under contract prior to closing and the election (or obligation) of Sponsor to restore and rebuild the Unit, the Purchase Agreement for that Unit shall remain in full force and effect, Purchaser will not be entitled to reject title or receive a credit or abatement in the Purchase Price, Sponsor shall be entitled to a reasonable period of time within which to complete the restoration or repair, and the closing date may be adjourned if same has already been scheduled, without any liability to Sponsor for delay.

In the event of Loss to a Unit under a Purchase Agreement prior to closing and the election of Sponsor not to restore or rebuild the Unit, or if the Loss occurs after the Declaration has been recorded and the Unit Owners do not elect to rebuild or repair the Condominium or elect to terminate the Condominium, in either case in accordance with the Declaration and By-laws, then the Purchase Agreement for that Unit shall be deemed canceled and of no force and effect. In such event Sponsor shall return to Purchaser all sums deposited by Purchaser under the Purchase Agreement together with interest earned thereon, and neither Sponsor nor Purchaser shall have any further liability to or against each other, and Sponsor and Purchaser shall each be released and discharged from liability to the other, except, however, if Purchaser shall be in default under the Purchase Agreement (beyond any applicable cure period), Sponsor may retain all deposits made by Purchaser under the Purchase Agreement, together with interest earned thereon, as and for liquidated damages.

In the event of Loss to the Property which occurs prior to the recording of the Declaration and prior to the declaration of effectiveness of the Plan, Sponsor shall have the right, but not the obligation to restore or rebuild. If Sponsor elects not to rebuild, Sponsor may abandon the Plan as described in Part I, Section K of the Plan. Once the Plan has been declared effective, Sponsor shall rebuild and/or restore, subject to Sponsor's right not to rebuild and to abandon the Plan if the cost of restoration is in excess of $52,834.30, also as set forth in Part I, Section K.

In the event of Loss to the Property which occurs after the recording of the Declaration, if the Unit Owners elect to restore or rebuild the Condominium in accordance with the By-laws, Sponsor will be obligated to repair or rebuild Units it then owns, to the extent required pursuant to, and in accordance with, the By-laws. However, Sponsor will not be required to repair or restore Common Elements, as that task will be the responsibility of the Board of Managers under the By-laws.

The First Unit Closing is expected to occur in or about June 2005, concurrently with or after the occurrence of the following events:

1. Issuance of a permanent certificate of occupancy for the Building, or if same has not yet been issued, then at least a temporary certificate of occupancy covering the Unit to be closed or the portion of the Building in which the Unit is located. Delivery by Sponsor of a temporary certificate of occupancy covering the Unit and acceptance of a deed to the Unit by Purchaser shall constitute a presumption that Sponsor has satisfactorily performed those obligations of Sponsor to be performed prior to closing of title to the Unit.

2. A registered architect or licensed professional engineer have shall certified that the Tax Lot Drawings filed with the Declaration are an accurate copy of portions of the plans of the Building as built and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of the Building, the Tax Lot Drawings shall have been filed, and the Declaration shall have been recorded.

3. Discharge, bonding or partial release of liens (if any), affecting the Unit to be closed, pursuant to Section 339-r of the Condominium Act.

4. Service upon Purchaser of a written notice of the closing date at least thirty (30) days in advance of closing and provision to Purchaser of an opportunity to inspect the Unit prior to closing.

5. Amendment of the Plan by Sponsor to disclose that Sponsor has declared the Plan effective.

6. Execution of an instrument by Purchaser substantially in the form provided in Part II of the Offering Plan (and delivery of said instrument to Purchaser's title company or attorney for recording), designating the Board of Managers and Sponsor as Purchaser's attorney-in-fact, coupled with an interest, for but not limited to the purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Unit acquired by the Board of Managers in accordance with any of the provisions of the By-laws and/or for purposes consistent with the implementation of the Offering Plan.

7. Delivery by Sponsor to the Purchaser of the Unit of any manufacturers' warranties (to the extent available) for equipment and appliances installed by Sponsor in the Unit, and the assignment to the Board of Managers of any warranties (to the extent available and assignable) with respect to all equipment and appliances and heating, plumbing and roofing installed in Common Elements.

8. Execution of and delivery by Sponsor to Purchaser of a bargain and sale deed for the Unit with covenant against grantor's acts in proper form for recording, substantially in the form contained in Part II of the Plan, free and clear of all liens and encumbrances except the Permitted Encumbrances. The deed must also be signed by the Purchaser.

9. If ordered by Purchaser, the issuance at closing of a commitment by a title insurance company licensed to do business in New York State, to insure that the Condominium was validly formed pursuant to the Condominium Act and that the Purchaser has good and insurable fee title in the Unit, free and clear of all liens and encumbrances, except for the Permitted Encumbrances and except for any mortgage Purchaser obtains to purchase the Unit, and subject to the provisions of the Declaration and By-laws. See the next section of this Plan for the estimated cost of such title insurance.

Title to a Unit will be conveyed subject to the following exceptions (which are referred to in this Plan as the "***Permitted Encumbrances***"):

(a) Any state of facts an accurate survey of the Property or personal inspection of the Unit and/or Property would show;

(b) All of the terms, covenants and conditions of the Declaration, the By-laws, the Tax Lot Drawings as they are filed or recorded and as any or all of same may be amended, the Rules and Regulations of the Condominium and the Offering Plan and amendments thereto;

(c) Power of attorney from the Unit Owner to Sponsor and to the Board of Managers and their successors in office;

(d) All easements set forth in the Declaration and By-laws;

(e) Zoning Lot Ownership Statement, if required by law, ordinance, regulation, zoning resolution or administrative agency, to be recorded in the Office of the City Register and any other declaration or instrument affecting the Property which Sponsor must file to comply with any law,

ordinance, regulation, zoning resolution or requirement of the Department of Buildings, New York City Planning Commission, Board of Standards and Appeals, or of any other public agency or authority, applicable to the construction, alteration, repair, demolition or restoration of the Building;

(f) Zoning and other resolutions, regulations and ordinances (and amendments thereto) now or hereafter adopted;

(g) Consents by Sponsor or any former owner of the Property for the erection of structure(s) under or above any street on which the Property abuts;

(h) Standard exceptions contained in the form of title insurance policy then issued by the Title Company;

(i) Any encumbrance as to which the Title Company would be willing, in a fee policy, to insure (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien;

(j) Easement Agreement (re: light and air) recorded in Liber 2223 cp. 283 and repeated in Liber 2223 cp. 286 (affects Lots 62, 63, 65 & 67);

(k) Terms, covenants, conditions, provisions and right of revesting in favor of The City of New York contained in the deed made by The City of New York, acting by and through its Department of Housing Preservation and Development to Harlem Infil Corp., dated as of June 24, 2003 and recorded August 5, 2003 under CRFN 2003000278872;

With regard thereto:

(i) Subordination Agreement made between The City of New York, acting by and through its Department of Housing Preservation and Development and Citibank, N.A., dated as of July 3, 2003 and recorded August 5, 2003 under CRFN 2003000278877;

(l) Terms, covenants, conditions, provisions, $1.00 condemnation clause and right of revesting in favor of The City of New York contained in the Land Disposition Agreement made between The City of New York, acting by and through its Department of Housing Preservation and Development and Harlem Infil Corporation, dated as of June 24, 2003 and recorded August 5, 2003 under CRFN 2003000278871;

With regard thereto:

(i) Assignment and Assumption Agreement made between Harlem Infil Corp. and Harlem Infil LLC, dated June 24, 2003, recorded August 5, 2003 under CRFN 2003000278876;

(ii) Subordination Agreement made between The City of New York, acting by and through its Department of Housing Preservation and Development and Citibank, N.A., dated as of July 3, 2003 and recorded August 5, 2003 under CRFN 2003000278877; and

(m) All other covenants, restrictions, easements and agreements recorded against the Unit or the Property before or after execution of the Purchase Agreement.

10. Payment by Purchaser of all closing adjustments and closing expenses and costs, including but not limited to those described in the next section of the Plan.

M. CLOSING COSTS AND ADJUSTMENTS

At his or her Unit Closing Purchaser shall be required to pay certain costs and expenses. The following is a list of the types and amounts of costs and expenses Purchasers should expect to pay. Estimates for title and recording expenses are provided by Fidelity National Title Insurance Company of New York (the "***Title Company***"), which Title Company currently insures Sponsor's and construction lender's interests in the Property, and are based (as are all of the following items), on rates and charges in effect as of May 2005 which are subject to change by the New York State Department of Insurance without prior notice:

1. Title Insurance

(a) If a Purchaser of a Residential Unit elects to obtain fee title insurance for a Unit, Purchaser will pay the premium therefor which will vary depending upon the purchase price. Title insurance rates are set by the Title Insurance Rate Service Association (TIRSA) Manual, and filed with the New York State Department of Insurance.

(b) The current rate for fee title insurance alone (*i.e.*, no mortgage title insurance) is (i) for fee policies of $100,000 up to and including $500,000, $542 for the first $100,000 of the purchase price and approximately $3.05 for each additional $1,000 dollars or fraction thereof up to and including $500,000, (ii) for fee policies of more than $500,000 up to and including $1,000,000, $1,763 for the first $500,000 of purchase price and approximately $2.78 for each additional $1,000 dollars or fraction thereof up to and including $1,000,000, and (iii) for fee policies over $1,000,000, $3,156 for the first $1,000,000 of purchase price and approximately $2.56 for each additional $1,000 or fraction thereof up to and including $5,000,000. For fee policies above $5,000,000 the rate is $2.27 per $1,000 for each $,1000 above $5,000,000 through $10,000,000. Thus the cost of a policy of fee title insurance alone for a Unit priced at $800,000, would be $2,597 based on current rates.

(c) If a Purchaser elects to obtain mortgage title insurance simultaneously with a policy for fee title insurance (mortgage title insurance likely will be required if Purchaser is obtaining a mortgage loan to finance the purchase), the premium for the mortgage policy will be at the "simultaneous rate" as follows: (i) for policies of $100,000 up to and including $500,000, $137 for the first $100,000 and $.76 for each additional $1,000 or fraction thereof up to and including $500,000, (ii) for policies over $500,000 up to and including $1,000,000, $443 for the first $500,000 and $.69 for each additional $1,000, or fraction thereof up to and including $1,000,000, and (iii) for policies over $1,000,000, $791 for the first $1,000,000 and $.64 for each additional $1,000 over $1,000,000 up to and including $5,000,000. For mortgage policies between $5,000,001 and $10,000,000, the rate is $.57 for each $1,000 over $5,000,000 through $10,000,000.

(d) As an example of how the foregoing rates would be applied, consider the following: If a Purchaser of a Residential Unit priced at $762,300 obtained a mortgage loan of $609,840, the mortgage title insurance would cost $520 and fee title insurance would cost $2,495, resulting in a total expenditure of $3,015 for mortgage and fee title insurance. If Purchaser purchased without mortgage financing (i.e., an "all cash" transaction), the cost for fee title insurance alone would be $2,495.

(e) Sponsor makes no representation regarding insurance available from insurers other than from the Title Company. Also, Purchasers should note that all mortgage insurance cost projections included above are exclusive of any endorsements to the loan policy the lender may require, which endorsements could increase the insurance cost. Purchasers may order insurance through the Title Company, by contacting Pauline Anderson at (212) 471-3710.

(f) If Purchaser elects to obtain title insurance through an abstract company (regardless of the title company through which the abstract company is insuring) or a title company other than the Title Company, it likely will take Sponsor's Closing Counsel more time to clear title and close the transaction than with the Title Company since the Title Company is familiar with and currently insures the Property. Until recently, it had been customary in the industry for closing counsel to a sponsor under an offering plan to charge an additional legal fee for the additional time involved in clearing title and closing with a title company other than the title company preferred by sponsor due to the company's familiarity with the property. This legal fee, by contract, typically was imposed on purchasers. A January 2005 decision by the Office of General Counsel of the NYS Insurance Department (pertaining to a project other than the Project that is the subject of this Offering Plan), took the position, however, that a seller's closing counsel may not be compensated by a purchaser for such additional work, regardless of the additional time involved, stating that such payment by a purchaser violates NYS Insurance Law § 6409(d). Sponsor believes the analysis in the decision is incorrect. Based on this decision, the Department of Law has prohibited Sponsor from imposing an additional legal fee on a Purchaser pursuant to this Plan when and if Purchaser uses a title company other than the Title Company. Should the decision be overturned, however, or should legislation or regulation be enacted, or should the Department of Law's position change, such that Sponsor's Closing Counsel would be permitted to be compensated by a Purchaser for its services, then, with respect to all Purchase Agreements that have not yet closed, Purchasers who obtain title insurance from a company other than the Title Company, shall be obligated to pay Sponsor's Closing Counsel at closing an additional legal fee in the amount of $350 for the cost of clearing title to the Unit and closing with such abstract company or other title company.

(g) Purchasers are advised that the quoted rates for title insurance in this section are issued by the Title Company, and are discounted from usual rates because the existing title insurance on the property is "prior eligible insurance" enabling purchasers of condominium units from the original seller (*i.e.*, from Sponsor), to receive a discount on their unit owner's title policy.

2. **Recording Fees; Filing Fees**

Purchaser will be required to pay fees for recording the Unit deed, the power of attorney in favor of the Board of Managers, and any mortgage Purchaser obtains to finance the purchase of the Unit. Purchaser also shall be required to pay the fees for recording the partial release of mortgage and UCC-3 termination statement related to the construction financing on the Property and any other documents Sponsor is required to file or record to convey title free and clear of liens and encumbrances. The current recording fees are $32 per document plus $5 per page and a $10 service charge for each instrument recorded.

Purchaser also shall be obligated to pay the administrative filing fee for the New York State Real Property Transfer Report (RP-5217NYC) and the NYC RPT Tax Return described below, which fee is currently in the aggregate amount of $75.

3. **Transfer Taxes**

(a) Under the Purchase Agreement, Purchaser will be required to pay the New York State Real Estate Transfer Tax applicable to the transaction (the "***State Transfer Tax***"). The State Transfer Tax currently is $2.00 per $500, or fractional portion thereof, of the consideration for the Unit. As of the date of this Plan, the State of New York imposes no administrative fee with respect to filing New York State Form TP-584 in connection with the State Transfer Tax. However, Purchasers will be obligated to pay any such administrative fee or other filing charge as the State of New York may impose in the future with respect to such filing.

(b) (i) Under the Purchase Agreement, Purchaser also will be required to pay the New York City Real Property Transfer Tax (the "***RPT Tax***") applicable to the transaction and complete the RPT Tax Return in connection therewith. The RPT Tax rate currently is 1% of consideration for individual residential condominium units priced at $500,000 or less and 1.425% of consideration for individual residential condominium units priced at more than $500,000. As mentioned above, Purchaser shall also be required to pay the administrative charge for filing the RPT Tax Return (and any other administrative fee or filing charges as the City of New York may impose) and NYS Real Property Transfer Tax Report, which currently is in the aggregate amount of $75.

(ii) Purchasers are advised that the New York City Department of Finance ("***DOF***") takes the position that if more than one residential condominium unit is purchased simultaneously by the same purchaser and if such units have not been physically combined into a single unit prior to closing, the transaction is no longer the sale of an "individual" residential unit and the tax rates described in the previous paragraph do not apply. Instead, DOF maintains that since the transaction is no longer the sale of an individual residential unit, higher non-residential RPT Tax rates apply. Specifically, DOF takes the position that when more than one residential condominium unit is purchased simultaneously by the same purchaser, the purchase prices for the residential units must be aggregated and RPT Tax must be paid at the non-residential rate on the aggregated amount. The applicable rates currently are 1.425% for purchases with an aggregate consideration of $500,000 or less, and 2.625% for purchases with an aggregate consideration of more than $500,000. However, three recent Administrative Law Judge ("***ALJ***") determinations (***In the Matter of David Gruber, In the Matter of Rosenblum*** and ***In the Matter of Cambridge Leasing***), concluded that a simultaneous sale of multiple residential condominium units to the same purchaser was in fact subject to the lower RPT Tax rates applicable to the sale of individual residential units. ALJ determinations are not technically binding precedent, and since The City of New York is appealing two or more of these determinations, it is uncertain how this issue ultimately will be resolved. In addition, although The City of New York appears to have taken the position it will not aggregate the purchase prices of residential units transferred by separate deeds to the same purchaser at different times for purposes of determining if the higher rates for aggregated prices apply, Purchasers are advised that such position could change at any time.

(c) Without a contract provision making purchasers responsible for payment of the Transfer Taxes, payment of the Transfer Taxes ordinarily is the obligation of a seller. New York City and New York State take the position that where a contract of sale for real property provides, as does the Purchase Agreement, that the purchaser pays the Transfer Taxes, the purchase price for the Unit is that much higher than the amount stated in the contract itself. The State Transfer Tax and the RPT Tax have thus been calculated by New York City and New York State in situations where a purchaser pays the Transfer Taxes, first by computing the RPT Tax and the State Transfer Tax on the purchase price listed in the contract of sale, and then adding this aggregate tax amount to the purchase price listed in the contract of sale to derive a "grossed up" purchase price. The RPT Tax and State Transfer Tax are then recalculated based upon this "grossed up" purchase price. Purchasers accordingly will be obligated to pay the RPT Tax and the State Transfer Tax calculated pursuant to this "grossing up" procedure, and also will be obligated to pay the RPT Tax at such higher rate as may be applicable when and if Purchaser is purchasing two or more Residential Units simultaneously.

(d) The foregoing discussion is not a representation or warranty that New York State and/or New York City will continue to compute the Transfer Taxes owed them by use of the policies, practices, formulas or rates described above, or that Sponsor will so compute the Transfer Taxes.

4. **Mansion Tax**

Purchasers are advised that New York State imposes an additional transfer tax upon Purchasers in an amount equal to 1% of the consideration for a Residential Unit where the consideration for the Unit is $1,000,000 or more (the "***Mansion Tax***"). **PURCHASERS ARE FURTHER ADVISED THAT THE NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE TAKES THE POSITION FOR PURPOSES OF DETERMINING IF THE MANSION TAX IS DUE AND PAYABLE, THAT CONSIDERATION INCLUDES NOT ONLY THE PURCHASE PRICE FOR THE RESIDENTIAL UNIT LISTED IN THE PURCHASE AGREEMENT, BUT ALSO THE AGGREGATE OF ANY TRANSFER TAXES PAYABLE BY PURCHASER UNDER THE PURCHASE AGREEMENT. THUS, FOR INSTANCE, A RESIDENTIAL UNIT PRICED AT $985,000 UNDER A PURCHASE AGREEMENT WHERE A PURCHASER PAYS THE TRANSFER TAXES, WOULD SUBJECT THE PURCHASER TO LIABILITY FOR THE MANSION TAX AS THE AGGREGATE OF THE PURCHASE PRICE PLUS THE TRANSFER TAXES EXCEEDS $1 MILLION.** Purchasers of Residential Units where the consideration (including the purchase price itself plus the aggregate Transfer Taxes payable by Purchaser) is $1 million or more, thus will be obligated to pay the Mansion Tax at closing. The foregoing discussion is not a representation or warranty that New York State will continue to compute the Mansion Tax owed to it in accordance with the foregoing policies, practices, formulas or rates.

5. **Mortgage-Related Costs**

(a) Purchasers obtaining mortgage loans to finance their purchase are advised that they will be responsible for the payment of all closing costs and expenses in connection with their mortgage in amounts determined by the lender. These costs customarily include, among others, origination fees or "points," commitment fees, fees for credit checks, mortgage title insurance, bank attorneys' fees and appraisal fees.

(b) Purchasers obtaining mortgage loans also will be obligated to pay mortgage recording tax. The mortgage recording tax rate in New York City currently is 2.05% of the mortgage amount for mortgages of less than $500,000, and 2.175% of the mortgage amount for mortgages of $500,000 or more. The borrower under a mortgage for a residential condominium unit is entitled to a $25 deduction for the first $10,000 of the mortgage amount. If Purchaser obtains a mortgage loan covering more than one Residential Unit and the mortgage is $500,000 or more, the commercial mortgage recording tax rate of 2.80% will apply.

(c) A Purchaser obtaining a mortgage loan may be entitled, pursuant to Section 339-ee(2) of the Condominium Act, to a credit against a portion of the mortgage recording tax that Purchaser ordinarily would be required to pay upon the recording of Purchaser's mortgage. Purchaser will be required to pay to Sponsor an amount equal to the amount of credit Purchaser receives. This payment to Sponsor is to reimburse Sponsor for mortgage tax previously paid on mortgages encumbering the Property, which prior payment is the basis for Purchaser's credit. Purchaser's credit will be equal to the product of the Unit's Common Interest multiplied by the mortgage tax previously paid on the Property. Purchaser shall not be required to pay more than the amount of mortgage tax Purchaser would have paid absent the statutory credit. That is, the aggregate of the amount to be reimbursed by Purchaser to Sponsor plus the reduced amount of mortgage tax to be paid by Purchaser (i.e., the portion of the mortgage tax for which statutory credit is not available), will not exceed the amount that Purchaser otherwise would have been required to pay as the full unabated mortgage recording tax.

(d) Purchasers are advised that if Units are not separately assessed for real estate taxes for the then current tax year as of Purchaser's closing date, Sponsor will collect escrows for real estate taxes in accordance with the procedures discussed in Paragraph 6 of this Section M. If Purchaser's lender nevertheless requires that Purchaser deposit real estate tax escrows with the lender, Purchaser will be in the position of making double escrow deposits, since Sponsor will not waive this requirement under the Plan.

6. **Adjustments for Common Charges and Real Estate Taxes**

(a) All real estate taxes and Common Charges attributable to a Unit paid by Sponsor for any period of time during which the Unit Owner will own the Unit, shall be adjusted between Sponsor and Purchaser as of the closing date. If a closing occurs after the 15th day of the month, Purchaser may be required to pay the Common Charges for the next month at the closing as well. If Purchaser is in possession of a Unit under an interim lease or other occupancy agreement, rent or other occupancy fee also will be adjusted as of the closing date.

(b) If a Unit closes during the 2004/2005 tax year (i.e., the tax year running from July 1, 2004 through June 30, 2005) or during the 2005/2006 tax year (i.e., the tax year running from July 1, 2005 to June 30, 2006), it is likely the Unit will not be separately assessed for real estate taxes for that tax year by that Unit's closing date. In such event, the adjustment for real estate taxes will be based on the Unit's proportionate share of the real estate taxes for the Property, which shall be obtained by multiplying the taxes payable on account of the Property for that year by the Common Interest attributable to the Unit.

(c) If separate assessments have not been made prior to the closing of title to a Unit, Sponsor will collect from each Purchaser at closing, and will place in escrow with the Managing Agent in a separate account established by the Managing Agent for that purpose (the "***Tax Escrow Account***"), an amount equal to the Unit's estimated proportionate share of the real estate taxes projected to be due for the entire Property for the half of the tax year next commencing after the closing of said Unit (*i.e.*, for either the first half or second half, depending on when the Unit closes), based on the method of allocation described above. If the tax assessor indicates that more than one half of a tax year may elapse before the Units are individually assessed, Sponsor shall collect at closing Purchaser's proportionate share of taxes for the upcoming half and shall deliver same to the Managing Agent for deposit in the Tax Account described above. With respect to the balance of the estimated taxes, the Board of Managers shall be obligated to collect monthly escrows from Unit Owners with their Common Charges based upon the estimated tax bill for the entire Property and the then current tax rate (or a higher tax rate to hedge against a possible increase in rate at the beginning of a new tax year, if the new rate has not yet been set) and deposit same in the Tax Account. At the time taxes are due and payable, Sponsor shall pay, out of Sponsor's own funds, Sponsor's proportionate share of the Property tax bill allocable to the Units Sponsor then owns, based on the allocation method described above, and the Board of Manager shall be obligated to cause the Managing Agent to release to Sponsor the appropriate amount of escrowed tax funds from the Tax Escrow Account for Sponsor's use in paying the share of taxes attributable to Units that have been sold and closed to other Unit Owners.

(d) If the actual taxes due for any period for which Sponsor collected escrows are higher than the amount collected and held in escrow, the Board of Managers shall pay the difference and shall bill Unit Owners for their proportionate share of any necessary reimbursement, as a Special Assessment. The amount Sponsor pays on account of its Units as set forth in subparagraph (c) of this Section 6, will be based on the actual, rather than estimated tax due, so it is not anticipated that there will be a shortfall in taxes attributable to Sponsor's Units. Sponsor will in any event remain liable for all

real estate taxes attributable to Sponsor's Units until Sponsor sells and conveys those Units. If any Unit Owner fails to pay a Unit's pro rata share of real estate taxes when due, by Common Charge billing, special assessment billing, or both, the Board of Managers will have a lien on such Unit for non-payment thereof, as if such charges were Common Charges. If the actual taxes due are lower than the amount collected and held in escrow by the Managing Agent, Sponsor shall pay the tax bill and shall direct the Managing Agent to return to Unit Owners their proportionate share of any excess. At such time as the Unit is separately assessed, the Unit Owner will be obligated to pay taxes directly to the taxing authority. Thus, if the Units are separately assessed with payments to commence during a period for which Managing Agent holds escrow funds, Sponsor shall direct the Managing Agent to return the funds to each Owner and the Owner.

7. **Closing Counsel Fees**

Sponsor's Closing Counsel (i.e., Mallin & Goldstein P.C.), will serve as Escrow Agent for down payments and will coordinate, prepare for, and attend Unit closings on behalf of Sponsor. All closings must be held at the office of Sponsor's Closing Counsel, 132 Nassau Street, New York, NY 10038. Each Purchaser shall make a payment toward Sponsor's closing fees to Sponsor's Closing Counsel, for each Unit purchased, in accordance with the following schedule:

(a) $1,000 legal fee if the closing is an all cash closing (i.e., without mortgage financing) held at Sponsor's Closing Counsel's offices at 132 Nassau Street, New York, New York 10038 (or at the offices of such other closing counsel in Manhattan as may be engaged by Sponsor); or

(b) $1,000 legal fee if Purchaser is obtaining mortgage financing and the Closing is held at Sponsor's Closing Counsel's office, plus in the case of either (a) or (b), but subject to the provisions of subparagraph (f) of Section 1 of this Section M,

(c) $350 additional legal fee if Purchaser obtains title insurance other than through the Title Company.

In addition to the foregoing, Purchaser shall be obligated to pay Closing Counsel:

(i) $100 for the first adjournment granted at Purchaser's request from the date set as the Original Scheduled Closing Date pursuant to the Purchase Agreement and $250 for each subsequent adjournment agreed to thereafter by Sponsor at Purchaser's request; plus

(ii) $250 for each assignment of the Purchase Agreement requested by Purchaser and agreed to by Sponsor; plus

(iii) $250 for each notification sent by Sponsor or Sponsor's Closing Counsel arising out of or in connection with Purchaser's default under the Purchase Agreement.

The costs above are cumulative to the extent applicable to an individual Unit Closing.

8. **Working Capital Contribution**

Purchasers shall also be required to pay to the Board of Managers at their Unit Closing an amount equal to two month's Common Charges attributable to each Unit being purchased, for deposit into the Condominium's Working Capital Fund. Monies in the Working Capital Fund shall be used to pay for

items in the budget which will be payable prior to the time that sufficient monthly Common Charges have accrued to pay these items, as described in Part I, Section S of the Plan.

9. **Professional Fees**

Purchaser shall have sole responsibility for payment of all professionals, including attorneys, engaged or retained by Purchaser.

10. **Penalties for Delay**

If Purchaser is not ready to close on the closing date scheduled by Sponsor pursuant to the Plan (the "***Original Scheduled Closing Date***"), any adjournment of the closing granted by Sponsor at Purchaser's request will, at Sponsor's discretion, be on the condition that (i) all adjustments required to be made at closing will be made as of the Original Scheduled Closing Date, and (ii) Purchaser shall pay Sponsor at closing, by unendorsed personal certified or bank check drawn on a bank that is a member of the New York Clearinghouse Association, an amount derived by (a) multiplying the purchase price for the Unit by 14%, (b) dividing that product by 365, and (c) multiplying the resulting amount by the number of days the closing is delayed, beginning with the Original Scheduled Closing Date and ending with the actual closing date. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the closing date. However, the provisions shall apply to any postponements by Purchaser of an agreed-upon adjourned closing date. Sponsor reserves the right to waive any or all of the provisions of this paragraph.

The entire contents of this Section M as same may be revised or amended, shall be deemed incorporated in the Purchase Agreement for each Unit.

11. **Security Alarm Monitoring Charge**

As mentioned in Part I, Section C of the Plan, Sponsor is installing a central station monitoring intrusion alarm in each Unit. The alarm monitoring service charge currently is $29.99 per month. The alarm installer, Percival Surveillance Solutions, Inc., has agreed to waive the monitoring fee, for Purchasers under the Offering Plan, for the first twelve (12) months following each Purchaser's Unit Closing. A decision to renew the service at the then current price after expiration of the initial 12-month period, will be at the sole option and expense of the Unit Owner. If the Owner sells the Unit during the initial 12-month period, no representation is made that the fee waiver will extend to the new Unit Owner. Once the Unit Owner elects to renew the monitoring service, Unit Owner will be responsible to the alarm company for the cost of the service.

12. **Sample Closing Costs.**

The following is a schedule of estimated closing costs (other than the purchase price and closing adjustments) that a purchaser of Unit PHA priced at $762,300, buying for all-cash (i.e., without mortgage financing), should anticipate paying:

$ 2,495	fee title insurance
$11,061	NYC RPT Tax (including $75 filing fee)
$ 3,105	NYS Transfer Tax
$ 1,000	Sponsor's Closing Counsel Fee
$ 1,020	Working Capital Contribution
$ 200	Recording Fees (est.)

$18,881 TOTAL

The foregoing assumes that Purchaser closes timely, using the Title Company as Purchaser's title company, and that no fees are assessed for adjournments or assignment of the Purchase Agreement. The amounts listed for NYC RPT Tax and State Transfer Tax in the foregoing schedule are "grossed up" in accordance with the discussion above. In addition to the listed expenses, Purchaser will be obligated to pay his or her attorney, should Purchaser engage same. If financing is obtained, Purchaser also will be obligated to pay bank fees, mortgage tax, attorneys' fees to lender's counsel, and such other fees as lender shall impose. With the exception of the mortgage tax cost, which is based on rates set by statute and the amount of the mortgage, these fees vary substantially among different lenders, and thus are not estimated above.

N. RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor shall have the following rights and obligations under this Plan.

1. Construction

(a) Sponsor has closed upon its financing for construction of the Project. Sponsor believes that the existing and anticipated financing for construction of the Project, together with other funds to which Sponsor has access, will be sufficient to complete construction of the Condominium. Before the First Unit Closing under this Plan, all liens and mortgages affecting the Unit, if any, shall be paid, bonded or satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by a release instrument to be recorded prior to recordation of the deed to the Unit, or Sponsor shall have provided sufficient security to the Title Company such that the Title Company will be willing to insure the Unit without exception for such lien.

(b) Sponsor shall complete the Project in substantial accordance with the Plans and Specifications, subject to Sponsor's right to substitute appliances, fixtures, equipment or materials of substantially equal or better quality for those described in the Plans and Specifications, and to make modifications in layout or design. Any of the foregoing substitutions or modifications may be made without prior notice or amendment to the Plan. Sponsor will not change the size, number or location of Units, their respective percentage of interest in the Common Elements, or the amount or quality of Common Elements, except as more specifically provided in "Changes in Prices, and Units" in Part I, Section H.

(c) Prior to the First Unit Closing under this Plan, Sponsor shall have obtained at least a partial temporary certificate of occupancy covering the Unit to be closed. If the First Unit Closing shall have occurred under a temporary certificate of occupancy, Sponsor shall attempt to obtain a permanent certificate of occupancy within two (2) years after the First Unit Closing, subject, however, to construction delays caused by weather, strikes, lockouts, acts of God, shortages of or inability to obtain, materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements, actions by Unit Owners or tenants of Unit Owners, or any other cause over which Sponsor has no control, but in any event, before expiration of applicable partial or temporary certificates of occupancy, as same may be renewed, replaced or extended.

(d) In the event any closing of title to a Residential Unit occurs after issuance of a temporary certificate of occupancy covering the Unit but before the issuance of a permanent Certificate of Occupancy covering the Unit, all down payments received from the Purchaser of said Unit (but not more than 10% of the Purchase Price), shall continue to be held in the Escrow Account, unless Sponsor's engineer or architect certifies that a lesser amount than the escrowed sum for that Unit will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy as concerns the Unit, in which case the sum exceeding the certified amount may be released to Sponsor from the Escrow Account on the Unit closing date. In lieu of retaining 10% of the purchase price in escrow, Sponsor may deposit with Escrow Agent an unconditional, irrevocable letter of credit or post a surety bond in the amount certified by the architect to be necessary to obtain the permanent certificate of occupancy for the Unit. In the event Sponsor desires to post a bond pursuant to this paragraph, prior to posting such bond Sponsor will file an amendment to the Plan disclosing same. It should be noted that this paragraph is inserted pursuant to law and regulation and is subject to change in case of revision or amendment to such law and/or regulation.

(e) Sponsor will pay all contractors, subcontractors, suppliers and all others involved in the construction of the Condominium who are engaged by Sponsor, for authorized work performed and authorized fixtures, material and equipment supplied to or installed in the Condominium and will cause all mechanics' liens arising out of Sponsor's construction of the Condominium or the furnishing or installation of fixtures or equipment, to be discharged, bonded or otherwise handled so as not to encumber Purchaser's title, promptly after Sponsor has received actual notice that any such liens are filed.

(f) Sponsor's obligations pursuant to General Business Law Article 23-A, if any, which are required to survive delivery of the deed to a Purchaser, and those obligations of Sponsor set forth in this section which are to be performed subsequent to closing, if any, shall survive delivery of the deed.

2. **Board of Managers**

(a) Sponsor shall not be liable for or obligated to defend any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of closing of title to such Unit or the leasing thereof to any Purchaser, or with respect to the Common Elements, arising out of any occurrence taking place on or after the date of recording the Declaration, or to indemnify the Board of Managers or Unit Owners, except with respect to claims arising out of the acts, omissions or representations of Sponsor, as limited in this Plan.

(b) Sponsor shall deliver a set of "as-built" plans for the Project to the Board of Managers at the time Sponsor surrenders control of the Board of Managers.

(c) Sponsor will pay all Common Charges for Units it owns (once Common Charges are assessed and collected as described below), as well as assessments that may be imposed by the Board of Managers on Units for Units Sponsor owns, and real estate taxes attributable to Units Sponsor owns, while Sponsor owns these Units. Sponsor represents it has the financial resources to meet its obligation with respect to Units it owns and expects to fund its obligations from sales proceeds and/or reserves Sponsor maintains for these purposes. However, as is common in offering plans filed in New York City, no bond or other security has been furnished to secure Sponsor's obligations under this Offering Plan, including but not limited to Sponsor's obligations to pay Common Charges or real estate taxes for Units it owns or to complete construction after the First Unit Closing and obtain a permanent certificate of occupancy. All obligations of Sponsor pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners.

(d) Once the Board of Managers has made a determination to assess and collect Common Charges (which point may arise after the First Unit Closing under this Plan, in the sole discretion of the Board of Managers as set forth in the By-laws), Sponsor shall pay all Common Charges and Special Assessments with respect to Units owned by Sponsor, until these Units are sold to Purchasers. However, the Board of Managers in its sole discretion shall have the right to waive Unit Owners' obligations to pay Common Charges for a period of time determined by the Board of Managers, and accordingly to commence collection of Common Charges at a later date than the First Unit Closing. In the event of such election, Sponsor will undertake to pay the balance of the basic operating costs of the Condominium (exclusive of reserves) after application of the Working Capital Fund of the Condominium to pay such operating costs during this period. Sponsor shall become responsible for all Common Charges assessed against Units owned by it only from and after the date the Board determines to

commence collection of Common Charges. As Sponsor initially controls the Board of Managers, any decision of the Board to delay collection of Common Charges will effectively be Sponsor's decision.

(e) Sponsor shall cause the Board of Managers to procure, by the First Unit Closing, the insurance described in Schedule B of this Plan, and otherwise required by the By-laws.

3. **Offering and Sales Issues**

(a) Sponsor agrees to keep copies of the Plan, exhibits and documents referred to in the Plan on file at Sponsor's office or at another designated place for six years from the date the Offering Plan is accepted for filing by the Attorney General.

(b) Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units and Common Elements, to complete construction in a manner consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder. Sponsor will use reasonable efforts so as not to interfere with a Unit Owner's reasonable use of said Owner's Unit during any work period. However, there may be a temporary limitation as to use of the Unit and/or public areas. Sponsor's reservation and rights shall include, but not be limited to:

(i) The right to maintain a Sales Office, one or more model apartments and other general and sales and leasing office(s) and personnel on the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection and display of vacant or leased Units, for Units at the Building to prospective purchasers or lessees, consistent with the first class residential nature of the Building; and

(ii) Right of access in and to Units and Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing and similar work.

With respect to the right reserved in subparagraph 3(b)(i) above, it is expressly provided and understood that Sponsor and its agents, employees, contractors and affiliates, shall have the right to use portions of the Building (including Common Elements) as construction, sales and promotion offices as model apartments and for other purposes related to completion of construction of the Building and the sale (and leasing) of Units therein. Such right to use said facilities for such purposes shall continue until the last Unit is sold and closed. The Board of Managers may not enact rules or regulations, or perform other acts, or make any other provisions, that would interfere with the rights of Sponsor and its agents, employees, contractors and affiliates, in this paragraph. Such rights shall inure to the benefit of Sponsor's successors.

(c) The Housing Merchant Implied Warranty (General Business Law Article 36-B) does not apply to this offering because that statute applies only to new single family homes or new for-sale units in a multi-unit residential structure of 5 stories or less in which title is transferred to owners under a condominium or cooperative regime. As the Building contains 7 floors, this statute is not applicable.

(d) Sponsor will pay or cause to be paid all expenses in connection with the sale of Units owned by Sponsor (except for costs specifically made payable by Purchasers under this Plan), and will pay all selling expenses including, but not limited to, advertising and printing costs, architect and engineering fees, and costs of filing this Plan and amendments thereto.

(e) Sponsor reserves the right, without amendment to the Plan, to negotiate the price of a Unit, aspects of the transaction related to price, any other terms of the Plan or Purchase Agreement, any obligation of a Purchaser and every other aspect of the transaction. Notwithstanding the foregoing, Sponsor may not negotiate a price for a Unit higher than the price for that Unit contained in the Plan or in an amendment to the Plan, it being understood that prices may be increased only by amendment to the Plan and not by negotiation. Disclosure of the fact that modification of a Purchase Agreement or the price of a Unit may be requested by a Purchaser or various aspects of the sale may be the subject of negotiation does not mean that any of them, or any other particular item, except as is otherwise specifically disclosed, is actually being offered to any particular Purchaser, and Sponsor shall not be obligated to alter the terms of sale or to impose any such obligation on itself as to a particular Purchaser, whether or not it makes such allowances to any other Purchaser or Purchasers. The negotiation of such terms shall be on a case-by-case basis in Sponsor's sole discretion and without amendment to the Plan. In accordance with the foregoing, it should be understood that there is no obligation for any particular item to be negotiated or granted to any particular Purchaser, and that Purchasers purchasing similar interests may pay different amounts or receive different terms with respect to the transaction.

(f) In the event of (i) dissolution or liquidation of Sponsor while Sponsor still owns Units that are being offered under this Plan, or (ii) transfer by Sponsor to a single transferee of ten (10) or more Units or twenty percent (20%) or more of the total Units in the Condominium (whichever is less), to be offered by such transferee under the Plan, the principals of Sponsor will provide one or more financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units, under the Offering Plan and under applicable laws and regulations. By "financially responsible" Sponsor understands the regulations promulgated by the Department of Law to mean a party who would satisfy the financial requirements imposed on sponsors by Article 23-A of the General Business Law and the regulations of the Department of Law.

(g) Sponsor's obligation with respect to repair of damage from casualty or other cause occurring prior to the closing of title to a Unit, is discussed in Part I of the Plan in the Section entitled "Procedure to Purchase."

4. **Repair of Defects**

(a) Sponsor shall not be obligated to correct or cause to be corrected any defects in construction of a Unit or the Common Elements, or in the installation or operation of any mechanical equipment therein, except as set forth herein. In the event correction of a defect is covered under any guaranty or warranty given to Sponsor by the construction consultant, general contractor or construction manager (collectively the "***General Contractor***") engaged by Sponsor to complete construction of the Building (or by any contractor or subcontractor engaged by the General Contractor or Sponsor), Sponsor may, but shall not be obligated to, apply to the General Contractor to correct the defect. Sponsor shall, however, promptly correct or cause to be corrected any patent or latent defects in construction of the Building and the Units, or in the installation or operation of mechanical equipment installed by Sponsor therein, but only if such defects are due to substantially improper workmanship or materials substantially at variance with the Plans and Specifications (collectively, "***Eligible Defects***"), and only if Sponsor is notified in writing (i) by the Unit Owner to whom Sponsor sold a Unit, within three (3) months following the Unit Closing Date for that Unit if the Eligible Defect concerns that Unit (or if Sponsor permits occupancy of the Unit by a Purchaser under an interim lease, then within three (3) months after the commencement date of the interim lease), or (ii) by the Board of Managers, within the 6-month period following the First Unit Closing, if the Eligible Defect concerns the Common Elements. Notwithstanding the foregoing, if any Eligible Defect in a particular Common Element can only be detected after occupancy of a Unit, then the Unit Owner of that Unit must notify the Board of Managers

of the Eligible Defect and Sponsor must thereafter be notified by the Board of Managers regarding same, within sixty (60) days of the Unit Closing Date for that Unit, for Sponsor to be obligated to remediate same. If Sponsor is not notified within these time periods, Sponsor shall not have any obligation to remediate the Eligible Defect. In no event, however, shall Sponsor be obligated to compel, or to take action to compel, the General Contractor (or any contractor or subcontractor) to perform under any guaranty or warranty given by it in connection with work performed at the Property. In no event shall a Punchlist Item be deemed an Eligible Defect pursuant to or otherwise covered by this Section 4.

(b) Sponsor and/or its General Contractor, and/or the pertinent contractor or subcontractor, in its or their sole discretion, shall select the method of correcting any Eligible Defect to be corrected under this Section 4. On prior notice from Sponsor and/or its General Contractor, and/or the pertinent contractor or subcontractor, the Unit Owner, Purchaser or the Board of Managers, as applicable, shall allow Sponsor, Sponsor's contractors, agents or licensees and/or the Managing Agent access to the Unit or area in question on any weekday to inspect and/or correct such defect. The quality of construction shall be comparable to local construction standards customary in the particular trade in question and in accordance with the Plans and Specifications.

(c) Sponsor shall be deemed to have discharged any commitment it may have made or be deemed to have made with respect to curing Eligible Defects, if (i) Sponsor is not timely notified of the defect, or (ii) the Unit Owner, Purchaser or Board of Managers, as applicable, prevents Sponsor, Sponsor's contractors, agents or licensees and/or the Managing Agent access to the Building and/or the Unit where corrective work has been requested, or (iii) Sponsor shall have corrected or caused to be corrected the defect in accordance with the practice of the industry as said practice is determined by Sponsor's General Contractor or architect or engineer, in its sole discretion.

(d) Notwithstanding anything in this Plan to the contrary, Sponsor shall not be responsible for correcting or repairing any defects in construction or defects in the installation or operation of any appliances (including, without limitation, kitchen appliances), equipment or fixtures with respect to which warranties or other undertakings (however denoted) from manufacturers, contractors, materialmen, or others, are delivered and/or assigned to a Unit Owner or the Board of Managers. Sponsor also shall not be obligated to remediate problems with equipment, appliances or systems installed by Sponsor which arise out of improper maintenance or operation by Unit Owners or the Board of Managers. Such problems shall not be Eligible Defects as described above. Sponsor's undertaking to correct Eligible Defects in a Unit, as described above, runs only to Unit Owners who purchased a Unit from Sponsor. It does not run to Owners who purchase Units on resale by other Unit Owners.

(e) In addition, in no event shall Sponsor have any responsibility to correct or repair "Minor Construction Defects," either as a Punchlist Item or otherwise. Minor Construction Defects shall include, without limitation, any condition resulting from normal use, wear and tear or natural deterioration or from the normal shifting or settling of the Building, and any minor condition or defect involving color, alignment, fit, noise, drafts, cracks, chips, scratches, breaks, warpage or other imperfections, and including but not limited to partial or total death of any landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking due to weather, door warpage, tile, marble and granite grouting, separation in joints of tile, marble, granite or wood flooring, floor levels, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any consequential damage resulting from settlement or normal plumbing, heating and air conditioning noises, or carpet discoloration and stretching.

(f) In addition, Sponsor shall not be responsible as a Punchlist Item or otherwise, for paint touch-ups, or for repair of chips, mars, breaks or other defects in window sashes,

electric fixtures, interior painted surfaces, sinks, tubs, bowls, bidets (if any), cabinets, countertops, vanity tops and bases, doors, mirrors, hardware, flooring or appliance cabinets.

(g) Sponsor has no obligation to make any repair to the Units or the Common Elements, except as expressly set forth in this Offering Plan. However, nothing set forth herein shall vitiate Sponsor's obligation to build the Project in accordance with the Plans and Specifications and all applicable laws and codes governing such construction. Nothing contained in this Section 4 or elsewhere in the Plan shall be construed to render Sponsor liable for consequential damages, whether based on negligence, breach of contract, warranty or otherwise (except as Sponsor may be liable for by law). Except as expressly set forth herein, Sponsor has no obligation to correct or repair any defect or condition in any Unit, the Common Elements, or the Building or in any installation, apparatus, fixture or appurtenance. The foregoing provisions set forth Sponsor's entire responsibility with respect to corrections and repairs and none other shall be implied.

(h) Notwithstanding anything to the contrary in the foregoing discussion, both Unit Owners and the Board of Managers shall be obligated to permit Sponsor and its contractors and agents access to Units and the Common Elements at the request of Sponsor and/or its contractors and agents, in order for Sponsor to complete its construction obligations pursuant to this Plan.

(i) Sponsor will deliver to the Purchaser at Purchaser's Unit Closing, and will assign or deliver to the Board of Managers at the time of the First Unit Closing, as applicable, assignable warranties, if any, of manufacturers and subcontractors relating to heating, electrical work, plumbing, and appliances, as well as bonds relating to the Unit or the Common Elements respectively, if any. Sponsor undertakes to do the above only to the extent that warranties are actually made by such manufacturers and subcontractors and only to the extent such warranties and bonds are available and/or assignable.

(j) As stated in subparagraph 4(g) above, nothing set forth herein shall vitiate Sponsor's obligation to construct the Building in accordance with the Plans and Specifications and all applicable laws and codes governing such construction. Conflicts between disclaimers regarding Sponsor's obligations to repair defects and Sponsor's obligation to construct the Building in accordance with the Plans and Specifications and applicable laws and codes, shall be resolved in favor of the latter, subject, however, to a claim being brought within the applicable time period and provision of access to the Unit or Common Element by a Unit Owner or the Board, as applicable, to Sponsor or its contractors and agents, so the necessary remedial work can be performed, as described above.

5. Interim Leases and Use and Occupancy Agreements

As described in Part I, Section J of this Plan, Sponsor reserves the right, both before and after the recording of the Declaration of Condominium, and prior to the closing of title to a particular Unit, to (i) enter into a lease (an "***Interim Lease***") or (ii) a use and occupancy agreement (an "***Occupancy Agreement***"), for the Unit with a prospective Purchaser who has executed a Purchase Agreement and paid the requisite down payment, for such rent or occupancy fee and on such conditions as may be agreed to between Sponsor and Purchaser. Any such Interim Lease or Occupancy Agreement may provide that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the Interim Lease or Occupancy Agreement will constitute a default under the Interim Lease or Occupancy Agreement entitling Sponsor, at its sole option, to immediately terminate the Interim Lease or Occupancy Agreement. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any Interim Lease or Occupancy Agreement with respect to the Unit which is the subject of the Purchase Agreement, including but not limited to payment of rent or occupancy fee as and

when due, will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to immediately terminate such Purchase Agreement and exercise any remedies provided therein.

Before Sponsor may utilize a default under an Interim Lease to declare a default under a Purchase Agreement, Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee/Purchaser, unless lessee/Purchaser has vacated the Unit.

The Interim Lease or Occupancy Agreement shall terminate upon lessee/Purchaser's default thereunder and lessee/Purchaser shall be obligated to vacate the Unit upon the effective termination date of the Interim Lease or Occupancy Agreement.

6. **Leasing and Use of Unsold Units**

Sponsor reserves the additional right to use or occupy for itself or its agents, or to rent or lease to a tenant who is not a Purchaser (for such rent and upon such terms as are agreed to between the parties), any Unit not conveyed or with respect to which a Purchase Agreement is not then outstanding, and to later offer that Unit for sale. In the event a previously leased Residential Unit subsequently is sold and conveyed to a Purchaser, Sponsor shall advise Purchaser that the Unit previously was occupied, Sponsor shall not be obligated in any way to decorate, refurbish or repair such Unit and Sponsor's undertakings in subsection 5 of this Section N shall not be applicable with respect to the sale of such Unit.

Notwithstanding the foregoing, and notwithstanding anything to the contrary contained in this Offering Plan, it is Sponsor's unequivocal intention to sell all the Units at the Condominium and not to establish the Condominium as a rental building. However, Sponsor, just as any other prudent developer of a new construction condominium project in New York City or elsewhere, reserves the further right to explore the possibility of renting, and the right to actually rent, unsold Units in the event there is a significant decline in market conditions for newly constructed residential condominium units, preventing Sponsor from selling all Units at prices in accordance with Sponsor's construction financing and within 10% of the offering prices as of the date the Plan is declared effective, within two (2) years after the Plan is accepted for filing. If Sponsor determines to rent Units after that 2-year period as a result of such decline in the market, Sponsor will resume sales of vacated Units at (or, in Sponsor's sole judgment, before), such time as Sponsor is able to sell Units at prices in accordance with Sponsor's construction financing and within 10% of the offering prices as of the date the Plan was declared effective (adjusted pursuant to changes in the Consumer Price Index). The likelihood that Sponsor will consider renting Units is minimal, however, inasmuch as Units are anticipated to be sold promptly pursuant to a list of 224 preliminarily eligible purchasers created from a lottery conducted by Sponsor during the market test period granted under Cooperative Policy Statement No. 1, as more fully described in Part I, Section I of the Plan entitled "Procedure to Purchase."

* * * *

All rights accruing to Sponsor under the foregoing provisions of this Section N shall also accrue to an affiliate or designee of Sponsor.

O. CONTROL BY SPONSOR

The affairs of the Condominium shall be governed by the Board of Managers. The role and responsibilities of the Board of Managers are described in the Declaration and By-laws of the Condominium. The initial Board of Managers shall consist of three (3) persons designated by Sponsor identified in Part I, Section Q of the Plan. These Board members shall hold office until their successors shall have been installed at the first annual meeting of Unit Owners, at which time a five-member Board of Managers shall be established. As set forth in Part I, Section Q of the Plan and in the By-laws, the first annual meeting of Unit Owners shall be called by Sponsor within approximately ninety (90) days after the earlier of (i) conveyance of title to seven (7) Units pursuant to this Plan, or (ii) the second annual anniversary of the First Unit Closing.

At each annual meeting of Unit Owners, Sponsor shall be entitled to vote for Sponsor and non-Sponsor Unit Owners nominated for election to the Board in accordance with Sponsor's ownership of Units and the number of votes attributable to such Units. In addition, while Sponsor owns Units representing at least 25% in Common Interest, Sponsor shall have the right, but not the obligation, to appoint a majority of the Board of Managers. However, after the earlier of conveyance of title by Sponsor to Units representing 76% in Common Interest, or the fifth (5th) annual anniversary of the First Unit Closing, Sponsor shall not have the right to appoint a majority of the Board of Managers, even if the percentage of Common Interest represented by Units Sponsor owns would allow Sponsor to do so. Sponsor may, however, cast its votes for the non-Sponsor candidates of its choice, as described in the first sentence of this paragraph.

Accordingly, if upon the earlier to occur of the two foregoing dates Sponsor's appointees to the Board of Managers constitute a majority of the Board of Managers, then Sponsor shall cause a special meeting of Unit Owners to be called within thirty (30) days of that date to elect replacements for the Sponsor-appointee(s). The By-laws of the Condominium provide that after the foregoing Sponsor control period ends, a majority of the Board of Managers must be occupant Unit Owners unrelated to Sponsor or its principals.

While Sponsor owns (i) Units representing less than 25% but at least 10% in Common Interest, Sponsor shall have the right to appoint two (2) members of the Board of Managers, and (ii) Units representing less than 10% in Common Interest but at least one Unit, Sponsor shall have the right to appoint one (1) member of the Board of Managers.

Regardless of whether Sponsor or the Unit Owners remove a member of the Board of Managers appointed by Sponsor, only Sponsor shall have the right to designate a replacement for such Sponsor appointee. Likewise, vacancies on the Board of Managers caused by death, resignation or otherwise of members appointed by Sponsor may be filled only by appointment by Sponsor.

Whenever Sponsor shall have the right under the Declaration and By-laws to appoint more than one member of the Board, Sponsor may appoint one individual to represent all of Sponsor's appointees to the Board of Managers, and that individual shall have the same rights and votes as would have been available to Sponsor had Sponsor appointed separate members of the Board.

When in accordance with the By-laws the number of Sponsor-appointed Board members is to decrease as a result of Sponsor's decreased ownership of Units, the Sponsor-appointed Board member(s) shall step down at the end of his or her (or their) term, as applicable, or at such earlier date as Sponsor may direct. Likewise, when Sponsor no longer owns any Units, Sponsor's appointee to the Board shall step down at the end of his or her term (or at such earlier date as Sponsor shall direct). A

successor to a departing Sponsor-designee to the Board shall be elected by the Unit Owners at an annual meeting, or at a special meeting of the Unit Owners, as the timing of the departure shall dictate, for a term of one or two years, as determined by the Board of Managers, to insure that terms of not more than three (3) members of the Board of Managers expire in any one year. See Part I, Section Q of this Plan for a summary of the term of the members of the Board of Managers.

Until Sponsor conveys title to all Units offered under the Plan, but for no longer than a period of time ending on the sooner of (a) the 5th annual anniversary of the First Unit Closing or (b) the date as of which the Units owned by Sponsor comprise less than 25% in Common Interest, the Board of Managers may not without the prior written consent of Sponsor (i) make or permit to be made any addition, alteration or improvement to the Common Elements or Limited Common Elements appurtenant to Units, or to any Unit owned by Sponsor, (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (however, Sponsor will not unreasonably withhold consent to additions to any contingency reserve provided for in Schedule B to this Plan to the extent the aggregate amount of said reserve does not in any one fiscal year of the Condominium exceed 3% of the operating expenses of the Condominium for that year), (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent the existing reserves are insufficient), (iv) amend the Declaration or By-laws so as to affect Sponsor adversely in any way, or (v) increase the number of employees from those described in Schedule B to this Plan. However, consent shall not be withheld for expenses required (a) to comply with applicable law or regulations, (b) to remedy any violation which it is the responsibility of the Board of Managers to cure, or (c) to remedy any work order of an insurer. Subject to the foregoing, Sponsor shall have the right to withhold its consent to any of the foregoing actions.

P. RIGHTS AND OBLIGATIONS OF UNIT OWNERS/SUMMARY OF BY-LAW PROVISIONS

Sale or Lease of Units by Unit Owners

Each Unit Owner will have the right to sell said Owner's Residential Unit without restriction as to price but subject to a right of first refusal held by the Board of Managers, and other conditions set forth in the By-laws. The right of first refusal procedure requires that the Unit Owner provide the Board of Managers with the name and address of a purchaser from whom the Unit Owner has received an offer to buy the Unit which the Unit Owner intends to accept, together with the terms of the offer, and such other information as the Board of Managers shall reasonably require of selling Unit Owners, including, without limitation, identification and financial information concerning the potential purchaser. Within twenty (20) days after the Board of Managers has received notice of the proposed sale plus all additional information as the Board shall have requested (i.e., within twenty (20) days after the application to the Board is complete), the Board of Managers shall accept the offer on the same terms offered by the proposed purchaser (e.g., the Board shall exercise its right of first refusal) or waive its right to do so. If the Board elects to purchase the Unit, the Board shall close on such purchase within sixty (60) days after giving notice of its election to purchase. If the Board waives its right of first refusal, the Unit Owner may proceed to close on the sale to the proposed purchaser in accordance with the proposed terms and conditions set forth in the offer submitted to the Board, within ninety (90) days after expiration of the Board's period to exercise its right of first refusal. The By-laws should be reviewed for details about the sale of a Residential Unit and steps to be followed in connection with the Board's right of first refusal.

Each Residential Unit Owner will have the right to lease said Owner's Residential Unit with the prior written consent of and subject to a right of first refusal held by the Board of Managers in accordance with procedures and requirements contained in the By-laws. Pertinent requirements include the following: leases must contain terms of at least 12 consecutive months, tenants must satisfy certain financial criteria established by the Board of Managers and leases must contain certain provisions required by the By-laws, including, without limitation the right of the Board of Managers to evict the tenant due to Unit Owner default under the By-laws or tenant default under the lease, and the right of the Board pursuant to Section 339-kk of the Condominium Act to collect rent payments from the tenant if the Unit Owner is in arrears in paying Common Charges. Section 339-kk of the Condominium Act is summarized below.

The Board's refusal to consent to a proposed lease must be based upon (a) the Board's agreement to lease the Unit on the same terms, conditions and rent offered by the proposed lessee, (b) the Board's production of a lessee who will lease the Unit on such terms, conditions and rental, (c) the fact that the proposed lease term does not comply with minimum or maximum terms established by the Board, or (d) the fact that the tenant does not meet financial or other criteria established by the Board.

Notwithstanding the foregoing, if a Residential Unit is owned by an institution, corporation, or other business entity, the Owner of that Unit may enter into a lease for that Unit with an employee of the Unit Owner without such lease being subject to the approval and right of first refusal by the Board, provided, however, that (i) at least fifteen (15) business days in advance of the commencement date of the lease the Unit Owner provides the Board with the name of the tenant, position of employment for which tenant is engaged by the Unit Owner and the period of time such engagement is scheduled to last, and (ii) the lease has a term of at least twelve (12) months or such other minimum lease term as the Board shall then be requiring for leased Residential Units. All other conditions and provisions set forth in the By-laws required to be incorporated into leases between Residential Unit Owners and their tenants shall be applicable to such entity/employee leases as well.

Sales and leases of Units by Sponsor shall not be subject to the consent or right of first refusal by the Board, and leases by Sponsor shall not be subject to any minimum or maximum lease term restriction.

In accordance with regulations of the Department of Law, in determining whether or not to exercise its right of first refusal in connection with the proposed sale or lease of a Residential Unit, the Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

As discussed above, an amendment to the Condominium Act included the addition of Section 339-kk to the Real Property Law ("***RPL 339-kk***"), which purports to confer certain rights upon condominium boards of managers. RPL 339-kk provides in pertinent part as follows:

(i) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within 60 days of the expiration of any grace period after they are due, upon notice from the condominium board of managers as described below, all rental payments due from the tenant shall be payable directly to the condominium association. (RPL 339-kk defines "non-occupying owner" to mean "a unit owner in a condominium association who does not occupy the dwelling unit."

(ii) 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 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 or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association.

(iii) At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three (3) 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 owner's designated agent.

(iv) A non-occupying owner who disputes the condominium association's claim to a rental payment pursuant to RPL 339-kk 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.

(v) Nothing in RPL 339-kk shall limit any rights of unit owners or the board of managers existing under any other law or agreement.

(vi) Payment by a rental tenant to the condominium association made in connection with RPL 339-kk shall relieve the rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

The foregoing is a summary of RPL 339-kk adapted from the language of the statute. Sponsor makes no representation about the application or enforceability of the new statute or any

provision of same. Purchasers are urged to review RPL 339-kk in its entirety and to consult with their own attorney about the statute's enforceability and/or its possible impact on their own intentions and expectations respecting their purchase. The provisions of RPL 339-kk are incorporated into the Condominium By-laws.

Acquisition of Units By Board of Managers

In the event the Board of Managers desires to exercise its right of first refusal to acquire a Unit offered for sale by a Unit Owner, or to acquire a Unit at a foreclosure sale or otherwise, the Board may pay for the Unit from its operating funds or reserves, or the Board may levy a Special Assessment against Unit Owners or the Board may borrow money secured by a mortgage against the Unit being acquired, all as more fully set forth in the By-laws. The Board will be obligated to pay the Common Charges and real estate taxes assessed against any such Unit, which expenses themselves will be part of the Common Charges of the Condominium and thus will be paid by all Unit Owners. The net proceeds of sale of any such Unit owned by the Board of Managers on behalf of all Unit Owners, shall be applied as the Board of Managers in its discretion, shall determine.

The Board of Managers shall not exercise its right of first refusal to purchase or lease any Residential Unit or agree to purchase a Unit at a foreclosure sale or otherwise, without the prior approval of a majority in number and Common Interest of Unit Owners.

Mortgaging of Units by Unit Owners

Each Unit Owner has the right to mortgage said Owner's Unit to a Mortgagee, provided that (i) the mortgage shall be recorded and shall be expressly subordinate to the Declaration, (ii) the Unit Owner making such mortgage pays all Common Charges and other assessments against the Unit at or prior to making the mortgage and (iii) the Unit Owner making the mortgage complies with all other provisions of the By-laws with respect to mortgaging the Unit.

Liens for Nonpayment of Common Charges

The Board of Managers, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges and assessments, including without limitation, electricity charges and/or water charges attributable to the Unit, if applicable. These liens will be subordinate only to liens for past due and unpaid real estate taxes, and all sums unpaid on a first mortgage of record.

Any lien for unpaid Common Charges, Special Assessments or other assessments may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners, similar to a foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover unpaid Common Charges without necessarily filing a lien, all as more fully described in the Declaration and By-laws. During the period in which Sponsor controls the Board of Managers, Sponsor's designees to the Board will be responsible for causing the Board to take action, consistent with the By-laws, against Unit Owners who are in arrears in paying Common Charges, including, without limitation, Sponsor, with respect to Units it owns.

Assessment and Termination of Liability of Unit Owners for Common Charges

The Board of Managers will prepare its projected operating budget and projections of Common Expenses for the operation of the Common Elements of the Condominium and furnish same to the Unit Owners from time to time and at least once a year.

Common Expenses shall include, among other things and without limitation, the cost of insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the By-laws. Common Expenses may also include such amounts as the Board of Managers may deem proper for repairs, reserves, replacements, improvements, betterments, maintenance and other operating expenses of the Property, including, without limitation, an amount for a general operating reserve, for a reserve fund for replacement, and an amount to cover any deficit in the Common Charges collected for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, of any Unit which is to be sold at a foreclosure or other judicial sale, or otherwise to be acquired by the Board of Managers. Common Expenses shall also include other items stated in the Declaration or the By-laws to be Common Expenses.

Common Expenses generally shall be allocated among Units on the basis of Common Interest, although the Board shall have the right to allocate Common Expenses on the basis of usage, or such other method as the Board shall determine, provided the allocation is fairly attributable to the Units in question and reasonable under the circumstances.

Common Charges shall in no event include decoration of any Units or portions thereof or payments required pursuant to the terms of any Unit Owner's mortgage.

Each Unit Owner will be responsible to open an electricity account and a gas account and to pay electricity and gas costs attributable to Unit Owner's Unit as of the earlier of possession or closing of the Unit. Each Unit Owner will be responsible to pay Common Charges allocable to said Owner's Unit at such time or times (but not less than monthly) as the Board of Managers shall determine, commencing with the closing of title to the Unit, unless collection of Common Charges shall not yet have commenced, as described in this Offering Plan and permitted under the By-laws. The Board shall have the right to commence collecting Common Charges at some point after the First Unit Closing under this Plan, provided, however, that Sponsor pays the balance of the basic operating costs (exclusive of reserves) of the Condominium after application of the Condominium's Working Capital Fund for that purpose, until Common Charges are imposed by the Board of Managers. Accordingly, it is possible that Unit Owners who have closed title to their Units may be billed and responsible for paying electricity and gas charges prior to the time they become responsible for paying Common Charges. Common Charges assessed during the month in which title closes shall be adjusted between Purchaser and Sponsor as of the closing date, if collection of Common Charges has commenced on or before said date.

The liability of each Unit Owner for the payment of Common Charges and other assessments assessed or due against Owner's Unit, shall terminate prospectively upon a permissible sale, transfer or other conveyance of such Unit. A purchaser of a Unit shall be jointly and severally liable with the seller for unpaid Common Charges and assessments assessed and due up to the date of conveyance and a purchaser may be required by the Board of Managers to pay unpaid Common Charges and other assessments assessed against the Unit prior to the purchaser's acquisition. A mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit, or by deed in lieu of foreclosure, also shall be liable

for the payment of Common Charges, and assessments assessed or otherwise imposed on or before the date of the foreclosure sale or the conveyance by deed in lieu of foreclosure.

Repairs, Replacement and Maintenance of Units and Common Elements

Generally, all painting, decorating, maintenance and repairs ordinary or extraordinary, (a) in or to any Unit (other than to the Common Elements contained therein), will be made by the Unit Owner at the Unit Owner's sole cost and expense, and (b) in or to the Common Elements will be made by the Board of Managers and the cost thereof will be a Common Expense.

Exterior windows in Units are General Common Elements. Notwithstanding such classification, the inside and outside surfaces of any and all exterior windows and skylights located in or appurtenant to a Unit are to be cleaned by the Unit Owner at the Unit Owner's expense. Outside surfaces of windows and skylights must be cleaned from the inside of the Unit. Broken window glass or window frames in a Unit shall be replaced by the Unit Owner at the Unit Owner's sole cost and expense, unless such breakage was caused by the Board of Managers or its agents in which case replacement shall be made by the Board of Managers at its sole cost and expense.

Entrance doors to Units from common corridors are Common Elements (although the lock to such door shall belong to the Unit Owner). Pursuant to such designation, Unit Owners shall not be permitted to alter the doors to their Units, without the prior consent of the Board of Managers, but shall be obligated to maintain and repair same, in accordance with applicable law, regulation and architectural standards established by the Board of Managers. Doors to Units from terraces, balconies or yards are part of the Unit. In accordance with the Rules and Regulations, each Unit Owner must always maintain a current set of keys for all Unit locks for doors opening from common corridors with the Managing Agent.

If a Unit contains a terrace, patio or yard, the Unit Owner shall be responsible for maintenance, repair and replacement, when necessary, of the decking or other protective covering on the terrace, patio or yard, and the Board of Managers shall be responsible for structural repairs and replacement below the decking or other flooring, subject to the right of the Board of Managers to impose the cost of such repair or replacement on the Unit Owner if same was necessitated by the actions, inactions or other negligence of the Unit Owner or the Unit Owner's invitees or permittees. Unit Owners with terraces, yards or patios shall be responsible for insuring that all drains located thereon are kept free from dirt and debris.

The Board of Managers and agents and contractors of the Board shall have a right of access to any Unit and the Limited Common Elements appurtenant thereto, for the purpose of making inspections or for the purpose of correcting any condition originating in said Owner's Unit and threatening another Unit or a Common Element or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Owner's Unit or elsewhere in the Building, provided that requests for entry are made in advance, except in cases of emergency, when such right of entry is immediate, all as more fully described in the By-laws.

Insurance on Individual Units

Each Unit Owner is required to carry, at Unit Owner's own expense, casualty insurance with respect to all fixtures (i.e., cabinets that are built-in or attached to the wall, appliances, plumbing and electrical fixtures, bathroom vanities that are built-in or attached to the wall, etc.), equipment and personal property within said Owner's Unit and any Limited Common Element appurtenant thereto, and liability insurance with respect to occurrences in or about the Unit and any Limited Common Element appurtenant

thereto, in accordance with the By-laws. Each policy shall contain a waiver by the insurer of the right to claim by way of subrogation against the Board of Managers, and such other provisions as set forth in the By-laws. A current copy of each insurance policy must be maintained by the Unit Owner with the Managing Agent at all times.

Additions, Alterations and Improvements by Unit Owners

No Unit Owner may make any addition, alteration or improvement to a Common Element or a Limited Common Element except as provided otherwise in the By-laws. No Residential Unit Owner shall make any structural addition, alteration, repair or improvement in said Owner's Unit or in or on any Limited Common Element appurtenant thereto without the prior written approval of the Board of Managers and until Sponsor has obtained a permanent certificate of occupancy for the Building, without Sponsor's consent as well. All contractors engaged by Unit Owners for the purpose of performing construction work in the Unit (including without limitation, painters, electricians, carpenters and plumbers) must be adequately insured and must provide a satisfactory certificate of insurance prior to commencing work. Electrical and plumbing work must be performed by licensed contractors.

In order to preserve the architectural harmony of the facade of the Building, minimize the possibility of unsightly or obstructed views from the other balconies or terraces and Residential Units and promote the safety of those on lower balconies, as well as on the street below, each Residential Unit Owner having the exclusive use of a balcony or terrace will be required to obtain the approval of the Board of Managers (and Sponsor, until Sponsor has obtained a permanent certificate of occupancy for the Building) before altering, decorating, installing an awning on or over, landscaping, or painting the same. The Board of Managers or Sponsor may grant or withhold such approval in its sole discretion. Unit Owners with balconies or terraces shall in no event be permitted to enclose these areas.

Meetings of Unit Owners

Meetings of all Unit Owners shall be held at least once annually within approximately three weeks of the anniversary date of the first annual meeting. The first annual meeting of all Unit Owners shall be called by Sponsor within approximately 90 days after the earlier of (i) conveyance of title by Sponsor to 7 of the 14 Residential Units offered under this Plan, or (ii) the second anniversary date of the First Unit Closing under this Plan, subject to Sponsor's right to call the first annual meeting at an earlier date, in accordance with the By-laws. At all such annual meetings the Unit Owners shall elect or appoint members who shall serve as the Board of Managers.

Compliance with By-laws and Rules and Regulations

Rules and Regulations concerning the use of the Common Elements may be promulgated and amended from time to time by the Board of Managers, provided that copies of such Rules and Regulations are furnished to each Unit Owner prior to the time that they become effective. The initial Condominium Rules and Regulations are contained in Part II of the Plan.

Each Unit Owner must comply strictly with the By-laws and the rules, regulations, resolutions and decisions adopted pursuant thereto. Failure to comply with any of the same shall be grounds for action to recover sums due, for damages or injunctive relief, or both, by the Board of Managers or in a proper case, an aggrieved Unit Owner. In the case of flagrant or repeated violation the Board may ask the offending Unit Owner for sufficient surety for future compliance.

Q. RIGHTS AND OBLIGATIONS OF BOARD OF MANAGERS/SUMMARY OF BY-LAW PROVISIONS

Board of Managers: Election, Number, Term, Compensation, Qualifications, Removal

Under the By-laws, the Condominium will be managed by a Board of Managers. The initial Board of Managers shall consist of three (3) persons designated by Sponsor. These individuals are Phillip Morrow, David Hirsch and Isaac Henderson, the first two of whom are principals of Sponsor and the third of whom is an employee of an affiliate of a member of Sponsor. These Board members shall resign at the first annual meeting of Unit Owners, at which time a new Board shall be established. The first annual meeting shall be called by Sponsor within approximately ninety (90) days after the earlier of (i) conveyance of title to seven (7) Units under this Plan, or (ii) the second annual anniversary date of the First Unit Closing. The Board of Managers installed at the first annual meeting of Unit Owners shall consist of five (5) individual persons.

The term of office of members of the Board of Managers elected at the first annual meeting of Unit Owners shall be three (3) years for two (2) members, two (2) years for two (2) members and one year for one (1) member, or until their respective successors are elected or appointed. The two (2) candidates receiving the highest number of votes shall serve the 3-year terms, the two (2) candidates receiving the next highest number of votes shall serve the 2-year terms and the one (1) candidate receiving the next highest number of votes shall serve the 1-year term. Thereafter at all annual meetings, candidates will be elected for two-year terms. Sponsor's appointees to the Board of Managers shall serve one-year terms while they are members of the Board of Managers.

Members of the Board of Managers shall serve without compensation unless the Board of Managers amends the Declaration or By-laws to provide otherwise, an amendment Sponsor will not propose or support while it controls the Board. Members of the Board of Managers other than appointees of Sponsor, shall be Unit Owners or the Spouse (as defined in the Declaration) of a Unit Owner (in the case of individual Unit Owners) or shall be the designee of a Permitted Mortgagee of a Unit. In the case of partnership Unit Owners or mortgagees, the Board member shall be a general partner of such partnership (and, if the general partner is a corporation or partnership, shall be an officer, director, shareholder or partner of such corporate or partnership general partner, as applicable). In the case of corporate Unit Owners or mortgagees, the Board member shall be an officer, director or shareholder of such corporation. In the case of limited liability company Unit Owners or mortgagees, the Board member shall be a member of such company or a principal of a member of the company. In the case of fiduciary Owners or mortgagees, the Board member shall be the fiduciary or officer of such fiduciary. With respect to any type of Unit Owner or mortgagee that is an entity, the Board member generally must be an individual principal, member or other authorized designee of the Unit Owner or mortgagee. With respect to multi-party Unit Owners (i.e., Spouses, partners, domestic partners, etc.), only one person per Unit may be a member of the Board of Managers. To be authorized to vote as a Board member, a Unit Owner must not be in default of any payment of Common Charges and other assessments.

Notwithstanding the foregoing, the proposed By-laws of the Condominium currently provide that at the end of the period of Sponsor control of the Board of Managers, a majority of the Board of Managers must be individual Unit Owners or the Spouse of an individual Unit Owner, or individual principals or authorized designees of Unit Owners that are entities, who in each case occupy their Units (i.e., they must be "owner-occupants") and are unrelated to Sponsor and its principals. Sponsor makes no representations as to how or if this provision of the By-laws will be implemented or enforced by the Board of Managers.

Members of the Board of Managers may resign at any time by giving notice in writing to the Board.

At any regular or special meeting of the Unit Owners, any one or more members of the Board of Managers, other than a member appointed by Sponsor, may be removed with or without cause by a majority of the Unit Owners and a successor to that Board member may then and there or thereafter be elected by the remaining members of the Board to fill the vacancy thus created, provided notice of such proposed removal was given to the Board member and in the notice of meeting. Any member of the Board of Managers appointed by Sponsor or its designee may be removed by Sponsor or its designee, without notice, for any reason, and by a majority of the Unit Owners, with notice and for cause.

Any member of the Board whose removal has been proposed, shall be given the opportunity to be heard at the meeting (except for Sponsor-appointed members of the Board of Managers being removed by Sponsor, as to whom no opportunity to be heard need be given). Regardless of whether a Sponsor-appointee to the Board is removed by Sponsor, by Sponsor's designee or by the Unit Owners, only Sponsor or its designee shall have the right to designate a replacement for such Board member.

Powers and Duties of the Board of Managers

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or By-laws may not be delegated to the Board by the Unit Owners.

The Board of Managers shall meet at least eight (8) times during each fiscal year.

As more fully set forth in the By-laws, all determinations required to be made by the Board of Managers shall be by majority of votes cast at any meeting at which a quorum is present. Each member of the Board of Managers shall be entitled to cast one vote for each item to be voted upon by the Board. The majority of the votes cast at a meeting at which a quorum is present shall constitute the decision of the Board of Managers.

Liability of Board of Managers, Officers and Unit Owners

The members and officers of the Board of Managers shall not be liable to the Unit Owners except for their own individual willful misconduct or bad-faith actions or bad-faith failures to act. The Unit Owners shall indemnify and hold harmless each of the members and officers of the Board of Managers against all loss, damage or liability such party incurs arising out of that individual's acts or failures to act, or by reason of the fact that such person was a member of the Board of Managers or an officer of the Condominium, as applicable, except with respect to liability arising from willful misconduct, bad-faith actions or bad-faith failures to act.

Members of the Board of Managers shall have no personal liability with respect to any contract made by them as the Board of Managers within the scope of their authority or believed by them in good faith to be within the scope of such authority. The liability of any Unit Owner arising out of any contract made by the Board of Managers, or out of the aforesaid indemnity in favor of the members of the Board of Managers, shall be limited to the Unit Owner's proportionate share of the total liability, based on the Unit Owner's Common Interest.

Votes of Unit Owners

At each meeting of all Unit Owners, each Unit Owner shall be entitled to cast one vote, either in person or by proxy, for each Unit owned by that Unit Owner, for each item voted upon.

Repair or Restoration after Fire or Other Casualty

Damage to or destruction of any portion of the Building as a result of fire or other casualty shall be promptly repaired and reconstructed by the Board of Managers as nearly as practicable to the condition it was in before the casualty using the proceeds of property insurance and/or other funds for that purpose, subject to various conditions as fully described in the By-laws.

Termination of Condominium

The Condominium shall not be terminated or withdrawn from the Condominium Act except in accordance with the Condominium Documents and all laws applicable to the Property at the time termination is desired. In this regard, the Condominium may be terminated following a loss due to casualty, provided at least 75% of the Property is destroyed or substantially damaged and at least 75% in number and Common Interest of Units affirmatively determine not to proceed with repair or restoration, as described in the By-laws. In addition, the Condominium may be withdrawn from the Condominium Act by the affirmative vote of Unit Owners representing at least 80% in number and Common Interest of Units. In the event such 80% vote is achieved, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common. If a partition action is brought, the net proceeds of sale resulting from the partition action shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of the Unit Owner's share of net proceeds, all liens on the Unit Owner's Unit in the order of priority of such liens.

Procedure to Review Real Estate Tax Assessments

The Board of Managers has the power to act as agent on behalf of any Unit Owner who has given written authorization to the Board of Managers to be the Unit Owner's agent, to petition or apply to the real estate tax assessment agency board of review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of Unit Owners for which it is acting as agent and charge all such Unit Owners a pro-rata share of expenses, disbursements, and legal fees for which charges the Board of Managers shall have a lien as if for Common Charges, pursuant to the Condominium Act.

Covenant Against Partition of Common Elements

Section 339-i(3) of the Condominium Act provides that the Common Elements shall remain undivided and there is no right of partition, except as otherwise provided in the Condominium Act, which right is mentioned herein under the heading "Termination of Condominium."

Severance of Ownership Prohibited

Both the Condominium Act and the By-laws of the Condominium prohibit a Unit Owner from attempting to convey a Unit separate from its appurtenant Common Interest. The intent of such provision is to prevent any severance of such combined ownership.

Accumulation of Reserves

The Board of Managers may assess Common Charges for accumulation of reserves as more fully set forth in the By-laws.

Amendments

Subject to certain exceptions, including, among others, exceptions regarding the rights of Sponsor, the Declaration or By-laws may be amended, modified, supplemented or deleted by an affirmative vote of 66-2/3% in number and in Common Interest of the Unit Owners at a meeting of Unit Owners duly held for such purpose, as more fully described in the Declaration and the By-laws.

* * * * *

The foregoing summary is not intended to be a complete discussion of the By-laws or Declaration. It is simply an introduction to the By-laws and Declaration reproduced in Part II, which should be carefully reviewed in full by all Unit Owners.

R. TAX STATUS OF CONDOMINIUM; INCOME TAX DEDUCTIONS TO UNIT OWNERS; REAL ESTATE TAXES

The following discussions concerning the tax status of the Condominium and income tax deductions to Unit Owners are based on Sponsor's Offering Plan Counsel's Opinion contained in Part II of the Plan, which should be reviewed by Purchasers for a fuller more comprehensive understanding of the income tax considerations affecting their purchase. The discussion of real estate taxes is based on Sponsor's Real Estate Tax Consultant's Opinion also contained in Part II of the Plan, which also should be reviewed by purchasers.

1. Tax Status of Condominium

Common Charges shall be borne by Unit Owners and assessed and collected by the Board of Managers. The status of the Board of Managers for Federal, New York State and New York City income tax purposes is uncertain. If the Board of Managers were treated for tax purposes as an aggregation of Unit Owners, income earned by the Board (*i.e.*, rents on Units owned and leased by the Board or interest on Condominium funds), less the cost of earning the income, would be deemed income to the Unit Owners and would be taxable to them. However, Common Charges would not be considered income to the Unit Owners and expenditures incurred in maintaining Common Elements would not be deductible to Unit Owners (at least to the extent Unit Owners use their respective Units as residences rather than in a trade or business and perhaps otherwise).

If, on the other hand, the Unit Owners, acting through the Board of Managers, are treated as an entity for income tax purposes, then under Treasury Regulations dealing with the classification of entities for income tax purposes, they would be classified as a partnership for such purposes, absent an election by the Board to classify the entity as a corporation. As a partnership, the Condominium itself would not be subject to income tax (other than possibly the New York City unincorporated business tax). Instead, the taxable income or loss of the Condominium would be passed through to the Unit Owners who would be required to report such income or loss on their respective income tax returns. The manner in which such income or loss would be computed is not entirely clear, but it would presumably be computed in a manner similar to that described below for condominiums that elect to be classified as a corporation for income tax purposes.

However, as it is anticipated that the Condominium will treat itself as an entity for Federal income tax purposes and will make an election to be classified as a corporation for such purposes (although no assurance can be given in this regard), the remainder of this discussion assumes that the Condominium will be classified as a corporation for income tax purposes.

If the Condominium elects to be treated as a corporation for income tax purposes, the Condominium would be required to file tax returns and would be subject to the regular Federal, State and local corporate income tax on its taxable income. The Condominium's taxable income would be the excess of its gross income over its deductible expenses. Gross income would include, among other things, any rental income or investment income received by the Condominium and all Common Charges paid by Unit Owners. However, any portion of the Common Charges segregated and used to finance specified capital expenditures or reserves for such capital expenditures would generally not be required to be includible in gross income. Furthermore, excess Common Charges not used in a particular year and either returned to Unit Owners or applied to the following year's Common Expenses may be excluded from income.

Notwithstanding the foregoing, for all years during which the Condominium satisfies the requirements of Section 528 of the Internal Revenue Code, the Condominium may be eligible to elect to be exempt from Federal income tax on Common Charges collected from Unit Owners. One of the requirements of Section 528 is that substantially all of the units of the condominium in question be used by individuals for residences. The pertinent Treasury Regulations appear to focus on residential use by individuals, rather than ownership by individuals, and also provide that a unit that has never been occupied will be deemed to be used by an individual for residential purposes if, based on all the facts and circumstances, the unit appears to have been constructed for residential purposes. "Substantially all" is interpreted by the Internal Revenue Service as meaning at least 85% of the total square footage of all units within the condominium project, including non-residential units.

Other requirements to elect to be exempt pursuant to Section 528 include that (i) 60% or more of the gross income must consist of assessments from Unit Owners and (ii) 90% percent or more of the expenditures must be for the acquisition, construction, management, maintenance and care of property of the Condominium, requirements which appear to be met for the first year of operation if the Condominium operates during such year in accordance with the projected budget for the first year of Condominium operation contained in this Plan.

As suggested by the foregoing, the qualification of the Condominium to elect to be exempt from tax pursuant to Section 528 involves factual issues which can only be determined on a year-by-year basis. Sponsor's Offering Plan Counsel accordingly cannot express an opinion as to whether the Condominium will qualify to make a Section 528 election for a particular year or whether it would be advisable to do so for any given year. In the event that the Condominium either fails to qualify under Section 528 or, if qualified, fails to elect Section 528 tax treatment in any year, it could be subject to the regular Federal corporate income tax on its taxable income as described above. However, as it is expected that the Board of Managers in the ordinary course of operations is likely to spend most of the Condominium's income for allowable deductions or properly designate it for capital purposes, whether or not Section 528 is available and/or is elected, the Condominium's income tax liability, if any, will be limited. If at the time any such tax were determined finally to be due, the Board of Managers did not have sufficient funds in its accounts to pay such taxes, the Board of Managers could levy a special assessment against the Unit Owners or increase Common Charges to pay such taxes, as well as to pay any interest and penalties that may be assessed and due in connection therewith. Some or all of any such special assessment might itself be taxable income to the Condominium, and thus might be subject to tax as well.

2. Income Tax Deductions to Residential Unit Owners

A Residential Unit Owner will own a Unit in fee simple and each Residential Unit will be a separate tax lot for real estate tax purposes. Therefore, each Residential Unit Owner will be liable for any real estate taxes assessed against its Unit. Each Residential Unit Owner may mortgage its Unit(s), subject to compliance with the provisions of the By-laws, and if so, will be liable for payment of mortgage interest and principal due thereunder.

Sponsor has been advised by its Offering Plan Counsel that Residential Unit Owners who are not subject to the Federal alternative minimum tax and who itemize deductions on their Federal income tax returns, will be entitled, under present Federal tax laws, to a deduction for Federal income tax purposes for the real estate taxes they pay on their Residential Unit, and for the interest they pay on any mortgage covering their Residential Unit, provided that the Residential Unit is used as their own primary residence or specifically selected secondary residence and subject to certain limitations on deductibility as more particularly described in Sponsor's Offering Plan Counsel's opinion in Part II of this Plan.

Purchasers should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of $1,000,000), 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 those limitations would not be deductible.

Since the rules and limitations regarding the deductibility of home mortgage interest are complex, Purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Residential Units for Federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

* * * *

No warranty or representation is or can be made by Sponsor, Sponsor's Offering Plan Counsel or any other person that the Internal Revenue Service or state and local tax authorities will accept any or all of the views stated above, or that the tax law upon which Sponsor's Offering Plan Counsel based its opinion will not change, or that the United States Treasury Department or the New York State Department of Taxation will allow the aforementioned deductions. No representation or warranty is or can be made that the tax law or the regulations or rulings issued thereunder, or any judicial interpretation thereof, may not change so as to disallow the deductions in whole or in part. Neither Sponsor nor its Offering Plan Counsel shall be liable if it is held that the Unit Owners are not entitled to the income tax deductions described above, for any reason.

The foregoing discussion (which is based on the Opinion of Offering Plan Counsel in Part II of the Plan), is based on laws and facts as of the date of initial presentation of this Plan which may change subsequently. Potential purchasers are advised to consult their own accountants, attorneys or tax advisors as to tax consequences to themselves of ownership of a Unit, at the time that they are considering such purchase.

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, taxpayers are hereby informed that (i) this Offering Plan was not intended or written to be used, and it cannot be used, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this Offering Plan was written to support the promotion or marketing of the transaction(s) or matter(s) addressed in this Offering Plan; and (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

3. Real Estate Taxes

As mentioned elsewhere in this Plan, each Unit in the Condominium will be a separate tax lot. This means that each Unit ultimately will be separately assessed for real estate taxes. Once Units are separately assessed for real estate taxes, each Unit Owner will be responsible only for payment of the tax bill attributable to Unit Owner's Unit, and will not be responsible for paying the tax bill attributable to any other Unit. Likewise, with separate assessments, one Unit cannot be subject to a tax lien arising out of another Unit Owner's failure to pay the taxes due on that other Unit Owner's Unit.

Certain Purchasers of Residential Units, including senior citizens and veterans, may be exempt, in whole or in part, from real estate taxes. Each potential Purchaser should consult his or her own tax adviser as to the availability of such exemptions.

Submission of the Declaration and Tax Lot Drawings to the New York City Real Property Assessment Bureau for review is one of the first steps in the process by which the Units will become separate tax lots. The timing of this submission generally depends upon the date the Plan is declared effective, as typically the submission is not made until that time. As of the date of this Plan, Sponsor has no reason to anticipate any delay other than normal governmental processing time in effectuating creation of separate tax lots and individual Unit assessments.

Purchasers are advised, however, that due to the City's schedule in assessing real property generally, it is possible that separate assessments of Units may not be made for six to twelve months after separate tax lots legally are established. That is, separate tax lots may be established (thereby enabling Sponsor to convey Units to Purchasers), but separate assessments may follow some months later. Thus, for a period of time following establishment of separate tax lots, one tax bill may still be rendered for the entire Property. Details as to how the tax bill will be paid under these circumstances and Purchasers' responsibilities for contributing their proportionate share of same, are included in Part I, Section M of this Plan, entitled "Closing Costs and Adjustments."

4. **Real Estate Tax Benefits**

Sponsor has retained R&J Realty Services Inc. as Real Estate Tax Consultant to file any and all applications necessary to obtain real estate tax benefits for the Property ("***Real Estate Tax Benefits***"). Sponsor is advised by Real Estate Tax Consultant that the Real Estate Tax Benefits likely, but not guaranteed, to be obtained for the Project, will be exemption benefits pursuant to Section 11-243 of the Administrative Code of the City of New York (formerly known as and referred to in this Plan as "***Section J-51***").

Real Estate Tax Consultant's opinion regarding the Property's eligibility for Real Estate Tax Benefits and regarding the Property's projected post-completion assessed valuation, is contained in Part II of this Plan. This opinion should be carefully reviewed by Purchasers, as it forms the basis for the following summary of the issues.

Sponsor, based on the advice of Real Estate Tax Consultant, believes, but does not represent or warrant, that the Property should qualify for Section J-51 benefits.

Real Estate Tax Consultant anticipates that under the applicable provisions of Section J-51, any increase in assessed value of the Property attributable to the physical work done to the Property, should result in a 14-year exemption from taxes on the amount of that increase (i.e., 10 years of full exemption followed by a 20% per year phase-out in each of the succeeding 4 years, so that by the 15th year after completion, there is no exemption).

In addition to the exemption benefits described above, under Section J-51, any taxes attributable to the non-exempt portion of the assessed value may be abated and reduced annually by an amount not to exceed in any one year 8⅓% of 90% of the Certificate of Reasonable Cost ("***CRC***") of the renovation. The CRC is determined and issued by HPD. Real Estate Tax Consultant anticipates that the Project should obtain a CRC from HPD in the approximate amount of $1,160,000 and thus should be eligible for an aggregate total real estate tax abatement in the amount of 90% of the CRC or $1,044,000. Real Estate Tax Consultant further anticipates that J-51 will permit the Property to use up to 8⅓% of this amount (i.e., approximately $96,667) per year to abate taxes otherwise due on the Property, until said $1,044,000 is used. Any unused abatement may be carried forward up to 20 years.

Based on an appraisal prepared by Cushman & Wakefield, Inc. dated December 31, 2003, Real Estate Tax Consultant estimates the assessed value of the Property upon completion of the renovation at $897,900. Based upon this estimated post-completion assessed value and varying tax rates, Real Estate Tax Consultant estimates that all taxes due on the Property should be abated for a period of approximately 16 years following completion of construction, as shown on the following chart prepared by Real Estate Tax Consultant:

Abatement Year	Year	A V * Land & bldg	AV After * Rehab	Total * Assessed Value	Amt Exempt	20 % of Assessed Value	Total Assessed Value	Tax * Rate	Taxes *	Remaining Abatement	Total Taxes	Taxes Owed
										1,044,000		
1	2005/06	36,000	861,900	897,900	897,900	0		12.15	3,885	1,040,115	3,885	None
2	2006/07	36,000	861,900	897,900	897,900	0		12.61	4,002	1,036,113	7,887	None
3	2007/08	36,000	861,900	897,900	897,900	0		12.89	4,245	1,031,868	12,132	None
4	2008/09	36,000	861,900	897,900	897,900	0		13.27	4,373	1,027,495	16,505	None
5	2009/10	36,000	861,900	897,900	897,900	0		13.67	4,504	1,022,991	21,009	None
6	2010/11	36,000	861,900	897,900	897,900	0		14.08	4,639	1,018,352	25,648	None
7	2011/12	36,000	861,900	897,900	897,900	0		14.5	4,778	1,013,574	30,426	None
8	2012/13	36,000	861,900	897,900	897,900	0		14.94	4,922	1,008,652	35,348	None
9	2013/14	36,000	861,900	897,900	897,900	0		15.39	5,089	1,003,563	40,437	None
10	2014/15	36,000	861,900	897,900	897,900	0		15.85	5,221	1,003,431	40,569	None
11	2015/16	36,000	861,900	897,900	861,900	172,380	208,380	16.32	62,140	941,291	102,709	None
12	2016/17	36,000	861,900	897,900	689,520	344,760	380,760	16.81	92,983	848,308	195,692	None
13	2017/18	36,000	861,900	897,900	517,140	517,140	553,140	17.32	125,660	722,648	321,352	None
14	2018/19	36,000	861,900	897,900	172,380	689,520	725,520	17.84	160,185	562,463	481,537	None
15	2019/20	36,000	861,900	897,900	0	861,900	897,900	18.37	164,944	397,518	646,482	None
16	2020/21	36,000	861,900	897,900	0	861,900	897,900	18.92	169,883	227,636	816,364	None
17	2021/22	36,000	861,900	897,900	0	861,900	897,900	19.49	175,001	52,635	991,365	52,635
18	2022/23	36,000	861,900	897,900	0	861,900	897,900	20.08	180,298	180,298	1,171,663	180,298
19	2023/24	36,000	861,900	897,900	0	861,900	897,900	20.68	185,686	185,686	1,357,349	185,686
20	2024/25	36,000	861,900	897,900	0	861,900	897,900	21.3	191,253	191,253	1,548,602	191,253

* Information obtained from the appraisal report of Cushman & Wakefield dated Dec. 31, 2003.

- 80 -

If Section J-51 benefits are not granted, the total tax due on the Property upon completion would be based on an assessment of a post-construction, completed Building which, as mentioned above, is projected to be approximately $897,900 for tax year 2006/2007. The tax payable would be based on the tax rate in effect at that time, and would be allocated among all the Units.

Neither Sponsor, Real Estate Tax Consultant, nor Offering Plan Counsel make any warranty, guaranty or representation as to the assessed value of the Property or any Unit therein after completion of construction, or as to whether Real Estate Tax Benefits under the Section J-51 program will be granted, or as to the amount of real estate tax that will be assessed against any Units or the amount of real estate taxes payable at any time by an Owner of a Unit. In the event Real Estate Tax Benefits are not finally granted or are granted and revoked, each Unit Owner will be responsible for the entire real estate taxes assessed against said Owner's Unit.

In this regard, Real Estate Tax Consultant notes that once J-51 benefits are granted, certain events could cause their reduction or revocation. Specifically, the Commissioner of HPD may reduce or revoke past or future exemptions or abatements if the Commissioner finds that the J-51 application contained a false statement as to a material matter or omitted a material fact.

In addition, HPD routinely conducts audits and requires that all books, records and documents in connection with a J-51 application be retained for three (3) years after completion of the application and made available to HPD upon request. Failure to comply with such requirements could result in the loss or reduction of J-51 benefits.

Further, once J-51 benefits take effect, they can be revoked in the event that real estate taxes, water charges or sewer rents remain unpaid for one year after they become due and payable.

Purchasers are urged to consult their own attorneys or tax advisors concerning the real estate tax consequences of ownership of a Unit in the Condominium.

S. WORKING CAPITAL AND RESERVE FUND

1. Working Capital Fund

Each Purchaser of a Residential Unit shall be required to pay to the Board of Managers at Purchaser's Unit Closing an amount equal to two months' Common Charges attributable to each Residential Unit being purchased for use as working capital by the Condominium (the "***Working Capital Fund***"). The Working Capital Fund will be used to help pay for Common Expenses of the Condominium payable during the period when Common Charges are not yet being collected by the Board and/or during the time that Common Charges are being collected but prior to the time that sufficient Common Charges have accrued to pay these items. From and after such time as the Board of Managers has determined to commence the collection of Common Charges, and while Sponsor controls the Board, the Working Capital Fund will not be applied by the Board to effectuate a reduction in Common Charges.

No representation is made that the Working Capital Fund will be sufficient to accomplish the purpose set forth above, or other purposes as determined by the Board of Managers in its discretion.

2. Reserve Fund

There will be no reserve fund established by Sponsor at closing. However, under the By-laws the Board of Managers shall be authorized to establish reserves for capital repairs and replacements, and for other purposes.

* * * *

NEITHER THE DEPARTMENT OF LAW NOR ANY GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND. IF ADDITIONAL FUNDS ARE REQUIRED, IT MAY BE NECESSARY FOR THE BOARD OF MANAGERS TO INCREASE COMMON CHARGES OR MAKE SPECIAL ASSESSMENTS AGAINST UNIT OWNERS.

T. AGREEMENTS BINDING ON THE CONDOMINIUM

The discussion in this Section T summarizes agreements, other documents and regulations which may bind or otherwise affect the Condominium. All costs anticipated to be incurred by the Condominium during the projected first year of Condominium operation pursuant to the agreements, documents and regulations discussed in this Section T, are included in Schedule B to this Offering Plan. All documents summarized in this Section are available for review in the Sales Office. The Sales Office will provide a copy of any of these documents, at Purchaser's expense, to Purchasers who request their own copy of same.

Management Agreement

Sponsor anticipates causing the Board of Managers to enter into a Management Agreement with SOBRO Local Development Corporation, a New York not-for-profit corporation, having an address at 555 Bergen Avenue, Bronx, New York 10455, effective as of the First Unit Closing. The fee payable to the Managing Agent is expected to be $16,800 per year, payable in advance in equal monthly installments.

The major duties to be handled and services to be provided by the Managing Agent include, without limitation, the following: hiring (all of whom shall be employees of managing agent), appropriate personnel to maintain the Condominium, processing applications for sales and rental of Residential Units, supervising the moving in and out of the Building by residents, billing and collecting Common Charges, maintaining payroll records and causing to be filed necessary forms for employees in connection with same, rendering monthly income and expense statements to the Board of Managers, preparing and submitting an annual operating budget to the Board of Managers for review and consideration, maintaining the Building, doing all such acts necessary to comply with all orders and violations affecting the Building, addressing resident complaints, developing and supervising improvement projects, retaining counsel to institute any necessary proceedings, and maintaining the Condominium's records and books.

U. IDENTITY OF PARTIES

Sponsor

Sponsor, Harlem Infil LLC, is a New York limited liability company, having an address c/o The Community Preservation Corporation, 28 East 28th Street, New York, NY 10016. Sponsor was formed in New York on June 10, 2003.

The sole members of Sponsor (each a "***Member***" and collectively, the "***Members***") are Harlem Infil Corp. ("***HIC***"), a New York corporation, and CPCR Opportunity Fund, LLC ("***CPCR***"), a New York limited liability company.

The principals of HIC are Phillip Morrow, David Hirsch and James Fillas.

The manager of CPCR is CPC Resources, Inc. ("***CPC Resources***"). CPC Resources is a wholly-owned subsidiary of The Community Preservation Corporation, a New York not-for-profit corporation ("***CPC***"). CPC was founded in 1992 and has contributed to the dynamic growth of the affordable housing market by providing construction and permanent financing for over 100,000 units of housing in New York and New Jersey. CPC Resources was incorporated in 1992 as a for-profit subsidiary of CPC for among other purposes, to undertake development and financing opportunities related to affordable housing.

Sponsor has not previously taken part in any offerings of cooperative interests in real estate in or from the State of New York. However, the principals of HIC were the principals of the sponsor of an condominium offering for Morningside Place Condominium, 361-367 Manhattan Avenue, New York, NY, all of the units at which were sold and closed more than 5 years ago.

In addition, CPC Resources is a principal in a joint venture with Parkchester Preservation Company, LP (the "***Parkchester Joint Venture***") which joint venture owns more than ten (10%) percent of the unsold units in both (a) Parkchester North Condominium located at 1970 East Tremont Avenue, Bronx, New York and (b) Parkchester South Condominium located at 2000 East Tremont Avenue, Bronx, New York. As of the date of this Plan, the Parkchester Joint Venture is current in its financial obligations with respect to such unsold units.

CPC Resources is also the managing member of the sponsor of a condominium offering plan for The Mount Morris Park West Condominium located at 1-9 Mount Morris Park West, New York, NY, which plan was filed with the Department of Law on June 12, 2002. That offering plan was declared effective on September 11, 2003 and closings commenced in October 2003. All units have been sold and closed.

CPCR is the sole member of the sponsor of a condominium offering plan for Prospect Gardens Condominium located at 249 and 251 16th Street, Brooklyn, New York, which plan was filed with the Department of Law in March of 2004. That offering plan was declared effective in May 2004 and closings commenced in the winter of 2004. All units are under contract.

CPCR is also the sole member of the sponsor of a condominium offering plan for The 136th Street Condominium located at 167 West 136th Street, Brooklyn, New York, which plan was filed with the Department of Law in October 2004. Closings under this plan are anticipated to commence in the winter of 2005.

CPCR is the managing member of the sponsor of a condominium offering plan for The Kent Condominium located at 970 Kent Avenue, Brooklyn, New York, which plan was filed with the Department of Law in April of 2004. Closings under this plan are anticipated to commence in mid 2005.

CPCR is also the managing member of the sponsor of a condominium offering plan for the Fort Tryon Condominium located at 730 West 187th Street, New York, New York, which plan was filed by the Department of Law in November 2004.

Finally, CPCR is the sole member of the sponsor of a condominium project called "The Tatum," 50 East 129th Street, New York, NY, recently submitted to the Department of Law and currently under review.

Attorneys for Sponsor

Sponsor retained the law firm of Bryan Cave LLP, located at 1290 Avenue of the Americas, New York, New York 10104, to represent Sponsor in connection with this Plan. Bryan Cave has not passed on the legal opinions of any other attorneys referenced in the Plan or independently examined, investigated or passed upon, business or financial terms of the offering or the condition of the Property.

Sponsor also retained the firm of Mallin & Goldstein, located at 132 Nassau Street, New York, New York 10038 to represent Sponsor in connection with Purchase Agreements and as Closing Counsel. Said firm thus will represent Sponsor in connection with Unit contracts and closings.

Real Estate Tax Consultants

Sponsor retained the firm of R&J Realty Services, Inc., located at 2944 Fulton Street, Brooklyn, New York 11207, to apply for real estate tax benefits for the Property pursuant to Section J-51. This firm furnished the Real Estate Tax Consultant's Opinion found in Part II of the Plan.

Architects

Urban Architectural Initiatives ("***UAI***"), having an office at 838 Broadway, New York, NY 10003 is the Project architect. Said firm prepared the Description of Property and Specifications contained in Part II of the Plan and will prepare the Tax Lot Drawings. David Hirsch, one of the principals of the Sponsor of this Offering Plan, also is a principal of UAI.

General Contractor

Vertex Restoration Corp., having an address at 42-19 19th Avenue, Astoria, NY 11105, is the general contractor for the Project. Vertex is a full service general contractor that performs commercial and residential construction.

Selling Agent

As it is anticipated that all of the Units will have been sold pursuant to the lottery described in Plan, Sponsor does not intend to engage a separate selling agent, but instead will itself serve as Selling Agent, to extent same is needed.

Managing Agent

Sponsor anticipates that at or prior to the First Unit Closing, the Board of Managers will enter into a management agreement with SOBRO Local Development Corporation ("***SOBRO LDC***"), a New York not-for-profit corporation, having an address at 555 Bergen Avenue, Bronx, NY 10455, to act as Managing Agent for the Condominium. Phillip Morrow, one of the principals of Sponsor, is the President of SOBRO LDC.

V. REPORTS TO UNIT OWNERS

All Unit Owners will be entitled to receive annually from the Board of Managers copies of:

(1) The proposed annual budget of the Condominium at least two weeks before the date set for adoption of the budget by the Board of Managers (which budget will be certified as adequate for the purposes and period for which it is projected while Sponsor controls the Board of Managers);

(2) An annual financial statement (which annual financial statement shall be certified by a certified public accountant while Sponsor is in control of the Board of Managers); and

(3) Notice of the annual meeting of Unit Owners, to be sent to Unit Owners not less than ten (10) days before the meeting.

W. DOCUMENTS ON FILE

In accordance with Section 352-e (9) of the General Business Law and Section 20.3(dd) of the Regulations of the Department of Law, copies of this Plan and all documents referred to herein and all exhibits submitted to the Department of Law in connection with the filing of this Plan will be available at the offices of Sponsor or at another designated location for inspection and copying by actual and prospective purchasers of Units, and shall remain available for inspection without charge, and copying at a reasonable charge, for a period of six (6) years following the First Unit Closing. Copies of all documents filed in connection with the recording of the Declaration shall be delivered to the Board of Managers at the time Sponsor turns over control of the Board to non-Sponsor Unit Owners.

X. GENERAL

There are no lawsuits or administrative or other proceedings now pending the outcome of which would materially affect this offering, the Property, the Condominium, the operation of the Condominium or Sponsor's capacity to perform its obligations under the Plan, which have not been disclosed herein. The Property that is the subject of this Offering Plan was not the subject of any prior offering.

In accordance with the provisions of the laws of the United States and the State of New York, Sponsor represents that Sponsor will not discriminate against any person because of marital status, disability, race, creed, color, age, national origin, sex, sexual preference, sexual orientation or ancestry in the sale of Units offered by the Plan or in the leasing of any Unit owned by Sponsor.

If an amendment to this Offering Plan is filed which discloses a change in the offering that may have a material adverse effect on a Purchaser or Purchasers, the potentially affected Purchaser(s) will be given an opportunity for at least fifteen (15) days after the date of presentation of the amendment to rescind their Purchase Agreement. Any Purchaser who exercises such right to rescind will receive back Purchaser's down payment together with interest that may have been earned thereon subject, however, to Sponsor's right to condition return of the down payment to a Purchaser who resides in the Unit under an Interim Lease, to the Purchaser's vacating and surrendering possession of the Unit.

No contracts or agreements, written or oral, have been entered into by Sponsor for the sale or other transfer of Units offered under this Plan, and no deposits or advances of funds to purchase Units have been accepted by Sponsor as of the date this Plan was accepted for filing by the Department of Law.

Y. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor represents that to the best of its knowledge, the Architect's Description of Property and Specifications set forth in Part II of this Plan accurately summarizes the general nature of the systems, materials, equipment, appliances and fixtures to be contained in the Building on completion of construction and Sponsor hereby adopts said Description of Property and Specifications. The Description of Property and Specifications was prepared by Urban Architectural Initiatives and is included in the Plan with the consent of that firm.

HARLEM INFIL LLC
SPONSOR

OFFERING PLAN

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374 MANHATTAN CONDOMINIUM
316 WEST 116th STREET
NEW YORK, NEW YORK

PART II

1. ARCHITECT'S DESCRIPTION OF PROPERTY AND SPECIFICATIONS

ARCHITECT'S REPORT

374 MANHATTAN CONDOMINIUM

NEW YORK, N.Y.



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March 2, 2005, Rev. June 30, 2005

9/26/05

General Description of Property

The project consists of 14 class A condominium apartment units in two rehabilitated buildings on Manhattan Block 1848, 374 Manhattan Avenue, located on Lot 65 (hereafter referred to as Building A) and 316 West 116th Street located on Lot 62 (hereafter referred to as Building B). These buildings were filed and approved as separate applications with the Building Department of the City of New York. Both buildings share a common exterior courtyard at the corner of 116th Street Lot 63 and Manhattan Avenue, a common fire stair and elevator/lobby core in a new construction link between and attached to both buildings.

Both buildings are in an R7-2 residential zoning district and the renovations were designed utilizing the Quality Housing regulations of the New York City Zoning Resolution. The two existing structures were 5 stories high with a full cellar below grade. Each building has been extended vertically to include a Penthouse, with the new core providing access via the fire stair and elevator.

Both Buildings were Old Law tenements with 'railroad flats' as originally constructed around 1900. They were abandoned and left vacant for many years prior to New York City offering them for re-development in the Vacant Building Program of August 2000. The gut renovation of the buildings provides for fourteen Class 'A' residential units with the approved standards of light and natural ventilation to each of the occupied rooms. The only vestige of the tenement type of construction is the ornamental stone and brick façades and the fire escapes on these façades, retained and refurbished as the required second means of egress (besides the new common fire stair) for each of the new residential units. As part of the gut rehabilitation, the previously existing roof and windows and all of the building systems (e.g., electrical, heating, hot water, plumbing) have been replaced and all such elements and systems in the buildings are new. Both buildings are of non-fireproof construction classification with masonry bearing walls and wood beams.

Neither Building is a New York City Landmark structure.

Method of Reconstruction

All interior structures between the two side bearing walls were removed. In Building A, a new central structural steel frame has been erected from new footings, located below the cellar level, to the new Penthouse, above the existing fifth floor. A new central steel girder supports the new wood beams to each of the original perimeter masonry bearing walls. All unstable masonry exterior walls were removed and replaced with new masonry keyed to existing stable walls. In the Penthouse, the structure is shifted off the center girder to a new structural stud-bearing wall. This support, along with new masonry walls constructed onto the top of the existing bearing masonry walls, supports the Penthouse roof.

In Building B, the new floor joists are structured on the two original brick bearing walls. New masonry walls are constructed on top of the existing bearing masonry to support the Penthouse roof. The new plywood sub-floors and hardwood finished floor and roof are supported on lightweight steel beams. The non-bearing rear walls of both buildings are replaced with new masonry walls. All exterior exposed bearing masonry walls and the rear wall of Building B, with the exception of the front courtyard west wall of Building B and the rear cellar rubble stone wall of Building B in the rear courtyard west side, are covered with stucco on mesh directly adhered to the block or brick. The finished ceilings in Building A are gypsum wallboard on the wood beams and in Building B are gypsum wallboard on the metal joists. The interior surface of all exterior walls is furred-out on steel studs with gypsum wallboard finished interior surfaces.All of these walls are filled with blanket insulation with an R-11 value.

The new stair and elevator link between Buildings A and B is a fireproof construction with both steel and masonry structural elements. The fire stair is constructed of steel stringers, headers and risers and concrete filled pans. The new link walls from the cellar floor to the first floor are constructed of poured concrete. The upper floors are constructed of masonry block, with steel beams as support for the poured concrete pan floor construction, and gypsum board ceilings

The new cellar floor slabs are constructed of reinforced concrete throughout all cellar areas. The rubble-stone walls of the existing two buildings are in good condition.

Status of Constructions

The buildings are under construction at the time of this writing and are approximately 99% completed. Plans for the renovation were approved by the NYC Building Department in **February 2003**. In order to file for this approval we had the buildings inspected for asbestos. The asbestos inspector filed an ACP-5 form stating that there was no asbestos in either building, as is required by the NYC Building Department. The permits for the reconstruction were obtained in **June 2003**. The anticipated date of completion is **October 2005.**

A new Certificate of Occupancy will be obtained by the contractor from the New York City Department of Buildings at the completion of construction.

Street

The perimeter streets, Manhattan Avenue and West 116th Street, are City maintained public rights of way. They are paved with asphalt topping over a concrete base. The curbs are in accordance with the standards of the Department of Transportation.

The streets are pitched so that they drain to existing catch basin into existing City maintained combined storm and sanitary sewers. Street lighting is provided by the City; Hydrants connected to the public water supply system are located on the sidewalks and

public bus stops are located at the corner of both Manhattan Avenue and 116th Street, adjacent to the project.

The streets also contain both the privately maintained gas and electric services provided by Con Edison as well as telephone service provided by Verizon.

Utilities

New water lines are provided separately to each building and connect to the public services in the street. The new water piping from the City's water service connects to meters, one for each building, located in the cellar utility room. A separate service to both buildings is provided for the Sprinkler system. The existing sewer piping within the streets to the property line of both buildings is re-utilized. The new storm and sanitary services are connected to this existing piping at the street side of each building.

Con Edison provides gas and electric service to the project. The gas service is provided to each building from the adjacent streets: from Manhattan Avenue to the meter room in the cellar of 374 Manhattan Avenue and from 116th Street to the meter room in 316 W.116th Street. The electric service for both buildings comes from 116th Street into the main service box in the cellar mechanical space of Building B. From there it is distributed to meter banks in each building. Each building has separate gas and electric meters for each condominium unit and a single additional gas and electric meter for the common area services.

Verizon provides telephone service for all units from a telephone closet located in the cellar of Building A. Wiring from all telephone locations in each unit, concealed within the walls, connects to the service box in the telephone closet.

Subsoil Conditions

The buildings' existing foundation walls, supported by the bearing soil, are in good condition and show no signs of settlement. There is no evidence of moisture or seepage or ground water infiltration that would require corrective action. There is no damage from flooding either due to the water table in the area or overflow from other bodies of water.

Landscaping and Enclosures

There is a common garden court located within the boundary of the sites that define the border of both buildings at the corner at Manhattan Avenue and West 116th Street. The entire corner is enclosed with a cast iron fence supported in a continuous concrete footing. Two brick piers provide structure for the main project entry gate on 116th Street. This gate is operated both manually and electrically through a lock release either from a front desk location in the lobby or directly to the intercoms in each residential unit. At the interior of the entry gate there is a garbage disposal space behind a wood enclosure and a

concrete ramp with a stucco surface and concrete steps with tubular metal railing leading to the entry lobby. Most of the garden area is landscaped with bark paving and low perimeter shrubs and bushes and a few specimen deciduous trees and tall shrubs. A brick pier marks the corner of the garden fence at 116th Street and Manhattan Ave. An approximately 5' strip outside the property line fence on 116th Street is planted.

Brick faced block raised garden walls separate the planting beds adjacent to Buildings A & B from the resident garden area. A similar wall separates the garden from the private patio from Unit 1B. This patio is located at approximately the same floor level of the unit. The walking surface is a concrete slab and there is a center drain to the combined sewer in Building A. Two wooden benches are provided at the upper level of the courtyard.

The walls adjacent to the stair to the vestibule are concrete with brick surfaces. All brick faced walls are topped with pre-cast concrete copings. Two window wells of poured concrete walls provide light to the windows in the recreation rooms of units 1A and 1C. An iron grate protects these openings at the courtyard level.

Other landscaped and enclosed areas include the two areaways at the front of both buildings. A gate in the fence provides access to new concrete utility stairs within these areaways to provide access to the meter rooms in the cellars of each building. On Manhattan Avenue, at the front of Building A, a refurbished stoop leads to a private entry to the first floor duplex apartments of Building A. On 116th Street, the existing stoop entry has been reconstructed with concrete block as a raised planter. The exterior surface is stucco to match the stone of the base of the 116th Street building.

The rear courtyard at the cellar elevation of both Buildings A and B provide for two private exterior areas for units 1A and 1D. Wooden fencing separates these garden patio spaces from each other and the neighboring property. Metal or wooden fencing separates the remaining rear yard of 1D, including the south side of the building from the neighboring properties. The two garden patios are paved with a reinforced concrete slab. Yard drains and areaway drains connecting to the combined storm water pipes within each building provide drainage for all concrete yard areas. The landscaped court is a porous surface and drains naturally into the ground. A drywell is provided in the center area of the lower lever of the courtyard.

The pathway from the front gate on 116th Street to the building vestibule is lighted with fixtures provided on the exterior face of the two entry piers on the street side, on a pole mounted fixture adjacent to the entry steps, recessed into the ramp walls as low walkway lights and on the exterior piers of the entry vestibule. Exterior lights are mounted on the pilasters of the entry to Unit 1A and 1B at the Manhattan Avenue stoop

Exterior lights are located on the courtyard walls of units 1A & 1D.

Building Size

There are 6 floors plus a cellar (floor to ceiling):

a. cellar to first floor +/- 8' -3"
b. 1st to 2nd floor +/- 9'-8.5"
c. 2nd to 3rd floor +/- 8'-9.5"
d. 3rd to 4th floor +/- 8'-9.5"
e. 4th to 5th floor +/- 8'-9.5"
f. 5th to 6th floor +/- 8'-9.5"
g. 6th to roof +/- 9'-3"

Total building height from the street elevation to the roof of the penthouse (not including the bulkhead) is 65 feet. There is no cockloft.

Equipment Rooms

There are separate equipment rooms in the cellar of each building.

Building A has a Sprinkler and Water Pump room, Gas Meter room, Telephone and Cable room, Electric closet, a closet for the common space boiler, and the elevator machinery room.

Building B has a Water Meter Room, which includes the sprinkler and water pumps, Gas Meter room, and Electric Meter room. There is a single Telephone and Cable room in Building A for distribution of these services to both buildings. There is an Elevator Machinery Room of Building A adjacent to the elevator shaft.

Parapet Walls

Both buildings have new Penthouse structures on top of existing party walls. The street facing side of both Penthouses is set back from the existing street facade creating an open deck accessible to the Penthouse of both Penthouse units. On this deck area in each building there are three different parapet conditions: the wall adjacent to the neighbor's property, has a parapet approximately 3'-6" high with a steel privacy fence approximately 7' high; the street wall of these Penthouse decks on both buildings has a new parapet wall approximately 4-5' high supporting the new fiberglass cornice; and the courtyard facing sides of both decks, which provides access to the vertically extended fire escapes from the 5th floor via a new steel stair and railing with a similar low railing enclosing the rest of this open sided, low parapet area. All parapet walls are covered with pre-cast concrete coping stones.

The rear deck of the Penthouse of building 'B' is enclosed in a +/- 4' foot masonry wall on all three exposed sides.

The Penthouse roofs have low parapet walls all around, each approximately 1'-4" high with aluminum copings.

Structural Systems

See method of Construction

Building Exterior

The front façades are a mixture of stone and brick with a common brick back up. The cornices are new fiberglass elements, which have been formed to duplicate the neighboring cornice designs. Local Law 10 is not applicable since both buildings are completely renovated structures.

Windows

All windows in the project are new and are manufactured by the Crystal Window Company. They have a 20-year warranty on basic structure, 8-year on paint finish, 20-year on glass failure or stress cracks, 5-year on mechanical parts and screens. All windows are aluminum double-glazed and double hung or casement type with integral hardware and screens. All frames are formed with a thermal break. All windows except those in the Living Rooms are in existing openings, some of which have been slightly altered. Existing windows have exterior arched brick lintels, interior wood. Some interior lintels are new replacement steel members. New windows in living rooms in the bearing walls have new steel lintels and pre-cast sills. Exiting sills are stone; some have been replaced with new concrete elements. All first floor windows onto public areas have steel window guards. There are no lot line windows.

Public area windows in the new link and fire stair are fixed sash in aluminum frames in new masonry openings.

Chimney

Ten of the fourteen units (excluding 1A, 1B, 1C, 1D) have new gas-fired fireplaces, manufactured by Heat-N-Glo, Model Number #80000TRD-IPI. These fireplaces are prefabricated steel units with type 'B' direct vent flues that extend through the roof and are capped at the required distance above the roof level. The lower units have a fan in the flu to assist in the exhaust.

There is no compactor or incinerator and all boilers, one for each residence plus one for the common link, vent directly to the exterior.

Roof Decks and Patio

There is one Patio in Unit 1B, previously described under **Parapet Walls and Landscaping and Enclosures**. The enclosing terrace walls facing the landscaped entry court are brick surfaced on the exterior and stucco on the interior. The floor is a structural slab on compacted fill. The top of the wall is covered with a pre-cast coping and a privacy metal fence separates this area from the common garden space.

The three balconies on the Penthouse levels (2 in Building B, one in Building A) previously described in **Parapet Walls**, are enclosed with masonry walls with a stucco interior surface and with steel railings and pre-cast coping stones. The roofs are covered with a bituminous Class A system with a granular cap sheet. All roofing has a 12-year guarantee.

All decks and the patio are sloped surfaces that have a cast iron drain, which connects to the storm water drainpipe in the cellar.

Terrace, Courts and Roof Deck Doors

The terrace door for 1B and the doors in 1A and 1D (to the private gardens at the cellar level) are a single leaf steel and glass doors with a fixed steel gate mounted on the exterior. All balcony doors from the Penthouses are two-leafed aluminum sliding units with integral hardware, double-glazed and fully weather-stripped.

Exterior Entrances and Sequence of Operations

The ground floor lobby provides the exclusive access to 12 of the 14 units via a one-story vestibule projecting from the elevator/stair link into the entry courtyard. Four brick piers enclosing steel supporting columns define the corners of this vestibule. The flooring is a marble tile on a reinforced concrete slab. Two pairs of identical bi-parting solid wood and glass doors in wooden frames with a transom glass above and glass side panels provide access from the courtyard to the vestibule and from the vestibule to the lobby. One of each of the two pairs of doors is operable by key or by an electric lock release activated from individual residential unit video intercoms or from the entry concierge desk in the lobby.

A fixed glass window on one side of the vestibule provides direct visual control of the vestibule from a concierge area within the lobby, and on the opposite wall a fixed glass window faces the sunken garden court.

The primary and exclusive access to units 1A and 1B is via stoop to Building A on Manhattan Ave. A steel and glass lobby door is the exterior entry to the vestibule for these two units. The interior vestibule doors to the apartments to the apartments are standard apartment entry doors. Both of these two units also have an access/egress door into the main lobby in the elevator/stairway link.

An exterior intercom set in the brick face entry connects to the interior video monitor of these two units. A secondary connection to the 116th Street gate also connects to the interior monitors of these two units.

A lobby area is provided for mailboxes for the fourteen units of the standard acceptable to the U.S. Postal Service with a single postal key in a key keeper and separate keys for each unit as well as a separate box for common house mail. Assuming the postal

department accepts units 1A and 1B as a separate address, a mail slot is provided in the Manhattan Avenue for the mail delivery to these two units only.

Exterior service entry doors to mechanical rooms in the front areaway of both buildings are steel doors in steel bucks.

Roofing and Drainage

Roofs are flat, surrounded by parapet walls of masonry construction with either masonry or aluminum copings. The new roofing is a two layered bituminous sheet material, which is lapped up to the coping on all upper roofed areas without roof decks. In areas where there are roof decks with terraces there is a counter flashing of aluminum or copper covering the lapped roofing. All roofing has a 12-year guarantee. All roofs are watertight.

The combined rating of the roof assembly, including the insulation, provides for an "R" value of 30.

All roofs including the stair bulkhead and the elevator bulkhead are sloped as provided by a tapered rigid insulation below the roofing membrane. Roof drainage is via roof mounted cast iron drain inlets, which connect to the storm water lines under the cellar slab, and then to the combined street sewer.

The stair and elevator parapets drain through aluminum scuppers and leaders to the main roof.

Skylight

One skylight is provided in the Penthouse unit of Building B. It is a mechanically operable unit of double layered acrylic with one surface diffused, the other clear. It is mounted on a curb above the roof level and flashed all around. A 42" high railing above the Penthouse surrounds the skylight.

Bulkhead

There are two bulkheads constructed of concrete unit masonry, one for the elevator and the other for the fire stair in the link. Both structures extend above the roof level. The stair bulkhead provides access to the roof onto the link area of Building A.

Roof Railing and Pavers

Pre-cast concrete walking pads are installed from the stair bulkhead to the location of rooftop air conditioning condenser units. These areas of pedestrian use are enclosed by 42" high steel railings fastened to the roofing surface and protected from water penetration with pitch pockets at each post connection to the roof.

Roof Dunnage

The air conditioning condenser units are supported above the roof level on dunnage steel. On Building A the raised steel frame is supported by stub-up columns from the center structure at one end and the Penthouse south bearing wall at the other end. The steel members penetrating the roof are enclosed in pitch pockets. On Building B, the raised steel frame is structured from the parapets of the East and West bearing walls.

Fire Escapes

Existing fire escapes on the street façade of both buildings are refurbished providing access to new drop ladders from the first floor to the sidewalk. On the 5th floor of both buildings the fire-escape basket is extended on, new wall brackets to permit access to the rooftop Penthouse decks via a new fire-escape stair and railing. All new work matches the existing fire-escape materials.

Interior Doors and Frames

All doors to the residential units and to the stair in the link are 1½ hour rated self-closing steel doors in steel door bucks. Door to the separate mechanical spaces are also steel doors in steel door bucks. All interior apartment doors are solid wood with a paint finish.

Elevator

There is one new automatic hydraulic cantilevered roped passenger elevator manufactured by Dover Elevator Company to provide access to all residential units and the cellar from the new link. It has a 2000 lb. capacity. The machine room is located in the cellar of Building A behind the elevator. The elevator door is a side-slide automatic function. The speed is 126-140 feet per minute. There are push button automatic controls with all handicapped requirements and audible emergency signals, emergency light alarm and stop buttons and emergency phone. The elevator is ventilated via a fan in the roof of the cab. There are six recessed halogen light fixtures in the ceiling.

The cab and floor structure are a steel frame with the finish interior materials of satin bronze trim, handrail and base, cherry wood veneer wall panels and marble tile floor. The ceiling is satin bronze with recessed lighting fixtures. The control panels are satin bronze faced and the interior door is satin bronze faced. All code required emergency features are provided including alarms, smoke detector in the shaft wired, along with the sprinkler system, to a central station. Sprinkler heads are provided at each lobby floor, and automatic elevator cab return to the lobby floor operates when there is an emergency condition.

Laundry Facilities

Each unit has its own individual laundry hook-up in a laundry closet. Each location is provided with the appropriate gas and water valves and venting via ducting to the roof. Electric service is provided. The flooring is painted concrete and a floor drain is provided. Washing machines and dryers are not included

Bicycle/ Pram Storage

Each floor from 2-6, except the lobby and cellar, has two bicycle/pram storage closets in the link/elevator/stair lobby. These closets are for the exclusive use of the two units located on that floor.

Garbage Storage

There is one large garbage storage area at the front area of the entry court adjacent to the entry gate for units 1C and 1D as well as all other units. Garbage will be accumulated in this area behind a wooden gated enclosure, where it can be retained prior to the scheduled collection date for curbside pick-up. The New York City Department of Sanitation provides free collection three times a week

Water Supply

The new water supply for Building A is from the NewYork City water main in Manhattan Avenue through new piping and a new tap of the main into the water meter and pump room in the cellar. The new water supply for Building B is from the New York City water main in 116th Street through new piping and a new tap of the main into a water meter and pump room in the cellar.

Water lines into the building shall have double check value assemblies for backflow prevention. Water pressure will be maintained with an identical booster system in both buildings including two main pumps, a jocks pump and a cushion stop tank, capable of maintaining 60 Gallons per Minute (6 PM) at a 40-foot head.

Fire Protection System

There are two new separate sprinkler systems, one for each building, consisting of a 4" service main from both streets, detector check assemblies, booster pumps, jockey pumps, risers, and branch services to each residential unit and the common link areas. The piping is black iron. Sprinkler lines are concealed within the ceilings throughout, and the heads are recessed into the ceiling behind plates that are flush to the ceiling.

There is no standpipe system or water storage tank required. There are two Siamese connections for the sprinkler system, one for each building,at the street façades at grade level. The pressure for the sprinkler and the domestic water service is provided by pumps in each building.

The sprinkler pumps, elevator smoke detectors and heat detectors are connected to an alarming system that activates bells in the lobby and automatically notifies the central system of the emergency. The monitoring company at the control center alerts the *Fire Department*. The fire alarm panel in the lobby registers any activity in this system.

Sanitary and Storm Draining System

Separate new sanitary and storm drainage systems are provided for both buildings. In each building these two piping systems are separate within the buildings and combine after the house trap to flow into the combined public sewer in each street.

The original sewer piping to the street has been visually inspected and determined to be of sound condition and of the appropriate capacity for re-use.

All sanitary and storm drainage above ground is hubless pipe and fittings. All sump pump discharge piping is galvanized steel. All other storm drainage piping and fittings are cast iron or galvanized steel pipe with threaded malleable iron fittings or cast iron no-hub with stainless steel fittings.

There are three sump pumps: one for each water meter room in each building and one in the elevator pit. The one in the pit is alarmed for malfunction of the elevator hydraulic pump due to oil or water in the pit.

No Sewer Permits were required because the existing street sewer lines were re-utilized. These lines were examined with a scope and were determined to be in an acceptable condition for re-use.

There are miscellaneous yard drains located in the rear yard areas and front areaways, which connect to the combined storm water lines. The front courtyard is drained to a drywell in the permeable earth of this area, which is mostly bark paving on a porous base and soil in the planting beds.

Heating and Hot water

Each residential unit is heated by new individual gas-fired hot water boilers with an output of 50,000 to122,000 Btu/Hr. The boilers are located either within the unit or closely adjacent to it and all are situated on an exterior facing wall. Each boiler is a direct vent sealed combustion with combustion air intake and discharge direct to the exterior. The boilers are manufactured by Weil- McLain, model # CGS-5-PIN.

Each boiler provides for the heating and hot water for the residential units. There are eight boilers in Building A: seven for the residential units and one for the common spaces. There are seven boilers in Building B for the seven residential units.

The boilers are connected to a 40-gallon Weil-McLain indirect water tank located adjacent to or closely adjacent to each boiler to supply all hot water requirements for each residential unit.

An inline pump in each unit distributes the hot water to high output baseboard units thermostatically controlled within each unit. The entire system within each unit is sized to maintain an interior temperature of 70°F when the exterior temperature is less than 5°F.

A floor drain is provided in each boiler and water tank closet connected directly to the waste water system.

All heat piping is 1" and all hot water branch piping is 1." All boiler intake and flow piping is CPVC 3".

Apartments 1A and 1B have kick space heaters in the kitchens: Model No.TK-90, manufactured by Slant/Fin.

An additional boiler is provided in the cellar to heat the common area of the link and provide hot water for the slop sink and maintenance toilet room in the cellar. Ceiling mounted electric unit heaters are provided in each common mechanical rooms with exterior exposure. A recessed ceiling mounted electric heating unit with built in thermostat is provided in the vestibule.

Gas Services

Gas service to both buildings is supplied by Con Edison. A separate gas meter room is located in the cellar of both buildings. One meter is provided for each residential unit, plus one house meter.

Gas is distributed to the separate boilers and to the kitchen of each residential unit. The distribution piping is black iron.

Air Conditioning

A new air conditioning system is provided for all resident units. It is a split system as manufactured by the Trane Company, with a condensing unit for each dwelling located on the roof supported on the steel dunnage (previously described). Refrigerant lines from the condensers to air handling units located in a closet in each dwelling provides the tempered air which is distributed via ducts to all occupied rooms. Each air conditioning system is thermostatically controlled.

Model Numbers:
Air Handler – TWE042 for units 1A, 1B, 1C
Air Handler - TWE048 for units 1D and all upper floor units
Condenser Unit - 2TTB0036 for units 1A, 1B, 1C
Condenser Unit - 2TTB0048 for units 1D and all upper floor units

Note: All documentation regarding all of the above machinery will be provided to each of the condominium owners. The smaller numbered machines for the lower dwellings are 3.5 ton capacity, the larger numbered machines for all other units are 5 ton capacity.

There is no air conditioning in the common circulation or mechanical areas.

All ductwork is made of 24-gauge galvanized metal fastened to the structure with 16 gauge straps or 3/8" rods. All diffusers are sized to provide for the cooling requirements of each space, approximately 68-70° tempered air when the exterior temperature exceeds these values. All machinery elements are provided with vibration isolators.

Venting

All bathrooms and kitchens (except for the kitchen in Unit 1B, which has an operable window) are provided with an exhaust system to rooftop fans, which operate on a time clock.

All garbage storage closets have a vent to a rooftop fan. The utility closet, general maintenance and storage room and elevator machine room are ducted to an exhaust fan on the roof.

Electrical Systems

The electrical service is a 120/208 volt, 3 phase, 4 wire and ground system. It consists of five 400 amp fused service switches, one each for the fire booster pumps at 374 Manhattan Avenue and 316 West 116th Street. The third feeds power and lighting panels house loads for both buildings including power for the elevator and sump pumps. The (2) two other service switches feed individual meter banks in each building. They are fed directly un-metered from Con Edison service end box located in 316 West 116th Street. All major switches are located in the electric meter room adjacent to the end box.

The service within each unit is fed from 100-amp single phase, 3-wire circuit breaker from each meter bank.

The meter banks for both buildings are located on the cellar level in electric closets of each building.

The 100-amp circuit breaker feeding each apartment panel in both building is adequate to handle modern usage and appliances such as, dishwashers and clothes dryers. The single phase, 3 wire apartment panels are 30 pole panels.

The electrical services for 374 Manhattan Avenue and 316 West 116th Street are individually metered from meter banks in electric closets in each building. The meter bank and each building's power and lighting panels are located on the cellar level in each electric closet.

Service to each individual unit panels is fed directly from a 100-amp single phase, 3- wire circuit breaker in the meter bank.

One (1) 400-amp service is provided for power and lighting panels feeding miscellaneous house equipment including elevator and sump pumps for both buildings. Four (4) 400 ampere service switches are also provided, one each for fire booster pumps for both buildings and one each for meter banks for both buildings.

Apartment Electrical Service

Each duplex unit apartment panel is wired for a 100-amp, single phase, 3 wire.

The average number of circuits per apartment panel is 30 pole with the capacity to handle the central air conditioning machinery in each unit.

Ground fault circuits are provided in the bathrooms.
Arc fault receptacles are provided in bedrooms.
Air conditioning systems in each unit are on separate circuits.

Lighting and Fixtures

Switched lighting fixtures are provided in bathrooms, hall, stairway and closets. Switched receptacles are provided in living rooms, and bedrooms. Fixtures are incandescent in public halls and baths. Receptacles are provided in all rooms (average 5 per room).

Burglar Alarm System

A wireless remote control burglar alarm system is provided in all units. The system can be monitored remotely via a touchtone phone.

Permits and Certificates

All applicable permits are obtained for construction.

The plumbing installation, sprinkler system, and elevator installation must be approved by a NYC Department of Buildings inspector prior to the issuance of the Certificate of Occupancy by the contractor.

All other required sign-offs will be provided, including the controlled inspections as required and specified in the architectural documents and as described on the NYC Department of Building checklist.

Violations

All violations, if any exist, will be cured by the construction and eliminated from all records at the issuance of the Certificate of Occupancy.

Unit Information

Building A:

Unit	Distribution	Type	Bedrooms	Other
1A	Cellar and 1st floor	Duplex	1	Recreation Room
1B	Cellar and 1st Floor	Duplex	1	Recreation Room
2A	2nd Floor	Flat	3	
3A	3rd Floor	Flat	3	
4A	4th Floor	Flat	3	
5A	5th Floor	Flat	3	
PHA	**Penthouse**	Flat	2	

Building B:

Unit	Distribution	Type	Bedrooms	Other
1C	Cellar and 1st floor	Duplex	1	Recreation Room
2D	Cellar and 1st Floor	Duplex	1	Recreation Room
2B	2nd Floor	Flat	3	
3B	3rd Floor	Flat	3	
4B	4th Floor	Flat	3	
5B	5th Floor	Flat	3	
PHB	Penthouse	Flat	2	Den

Unit Finish Schedule/ Apartment Spaces

Space	Floor	Wall	Ceiling	Remarks
Living Room/ Dining room	Hardwood	GWB/Painted	GWB/ Painted	
Kitchen	Hardwood	Wood Cabinets Laminate Top w/ Backsplash GWB Sofits/ Painted	GWB/ Painted	Optional items: Granite Counter*
Bedrooms and Recreation Rooms	Hardwood Carpet	GWB/ Painted Solid Wood Closet Doors.	GWB/ Painted	
Bathrooms	Marble/ Ceramic Tile	GWB/ Painted Wainscott: Marble or Ceramic Tile Stall Shower: Ceramic Tile Tb/Shower: Ceramic Tile Bathing Pool Tub: Marble Tile	GWB/Painted	
Laundry Closet	Painted Concrete	GWB/Painted	GWB/Painted	
Mechanical Closet	Concrete/ Painted	GWB/ Painted	GWB/ Painted	

Note: All doors and windows trimmed in solid wood moldings.
*Optional granite countertops can be a special order at owner's expense.

Legend:

GWB= Gypsum Wallboard. All GWB shall receive three coats of paint: one primer, two finish coats.

Finish Schedule-Common Spaces

	Floors	Walls	Ceilings	Remarks
Vestibule	Marble Tile	Brick, Aluminum and Glass Windows	GWB / Painted	
Entry Lobby	Marble Tile	GWB/ Painted Aluminum and Glass Windows	GWB / Painted	
2nd- 6th Floor Lobbies	Carpet	GWB Painted Aluminum and glass windows	GWB Painted	
Fire Stair	Concrete / Painted	Block/ Painted	Concrete / Steel	
Mechanical/ Meter Rooms	Concrete / Painted	Block, Brick, and GWB/ Painted	GWB / Painted	

Bathroom Fixtures

The following fixture list applies to each of the several bathroom types as called out on the plans.

Bathroom Fixture Schedule:

DESCRIPTION	MANUFACTURER	COLLECTION	MODEL #	FINISH / COLOR	LOCATION
Two-Piece Gravity-Fed Toilet	Kohler	Highline	K-3427	White	All Bathrooms
Pedestal Lavatory	American Standard	Colony	0115.811	White	Powder Room
Lav. Faucet w/ Mtl Lever Handles	American Standard	Hampton	7881.712	Polished Chrome, Porcelain Lever Handles	Powder Room, Secondary Bath
27" Pedestal Lavatory	American Standard	Town Square	0780.800	White	Master Bath*
Widespread Lavatory Faucet	American Standard	Town Square	2555.801	296 Satin PVD	Master Bath**
5' Bathing Pool	American Standard	Colony	2675.002	White	Master Bathroom Bldg. B, 2,3,4,5, Pent.

Deck Mount Tub Filler	American Standard	Town Square	255.900	295 Satin PVD	Master Bath Bldg. A
Shower Fitting	American Standard		1662.601	Polished Chrome	All Showers (No Baths)
Pedestal Lavatory	American Standard	Cadet	236.811	White	Secondary Bath
Bathtub	American Standard	Princeton	2390.202	White	Secondary Bath
Bath/Shower Trim Kit	American Standard	Hampton	T215.7XX	Polished Chrome	All Bathrooms / Showers
Handle	American Standard	Hampton	730	Polished Chrome, Porcelain Lever Handles	
5' Bath	Kohler	Seaside	K-1247	White	Master Bathroom Bldg. A *** Flrs. 2,3,4,5, Pent.
16"x 26" Fully Recessed Medicine Cabinet	Basco		PE375P-W		Powder Rooms
Recessed Medicine Cabinet	Afina	Signature	S3630 FR-W	Sat	Secondary Bathrooms
20"x 26" Fully Recessed Medicine Cabinet	Basco		PE376P-W		Master Bathroom ****

* Except Master Bath, Penthouse B (Substitute Colony)

** Except Apt. 1C, 1D (Princeton Substitute)

*** Except Apt. 1A & 1B (Substitute Colony)

**** Apt. 1D, Penthouse (Substitute Afina)

Kitchen Equipment

The following list of standard appliances is utilized in all kitchens:

Kitchen Equipment Schedule:

ITEM	LOCATION(S)	DESCRIPTION	MANUFACTURER	MODEL
E-01	All	25 CU. FT. Bottom-Freezer Refrigerator	Kenmore	46-75543
E-02	All	24" Built-in Dishwasher	Kenmore	22-16483
E-03	All	30" Sealed Gas Slide-ins	Kenmore	22-36673
E-05	All	4-Hole Self-Rimming Double Bowl Sink	Elkay	LR321
E-06	All	Faucet with Spray	Lustertone	440WF

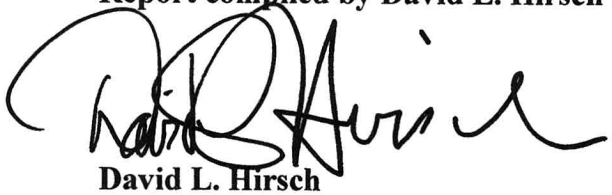
Safety and Warning Devices

Hard-wired combined smoke and carbon monoxide detectors are provided in each apartment as per code. Carbon monoxide detectors are provided at all closet areas with heating machinery.

Additional Information

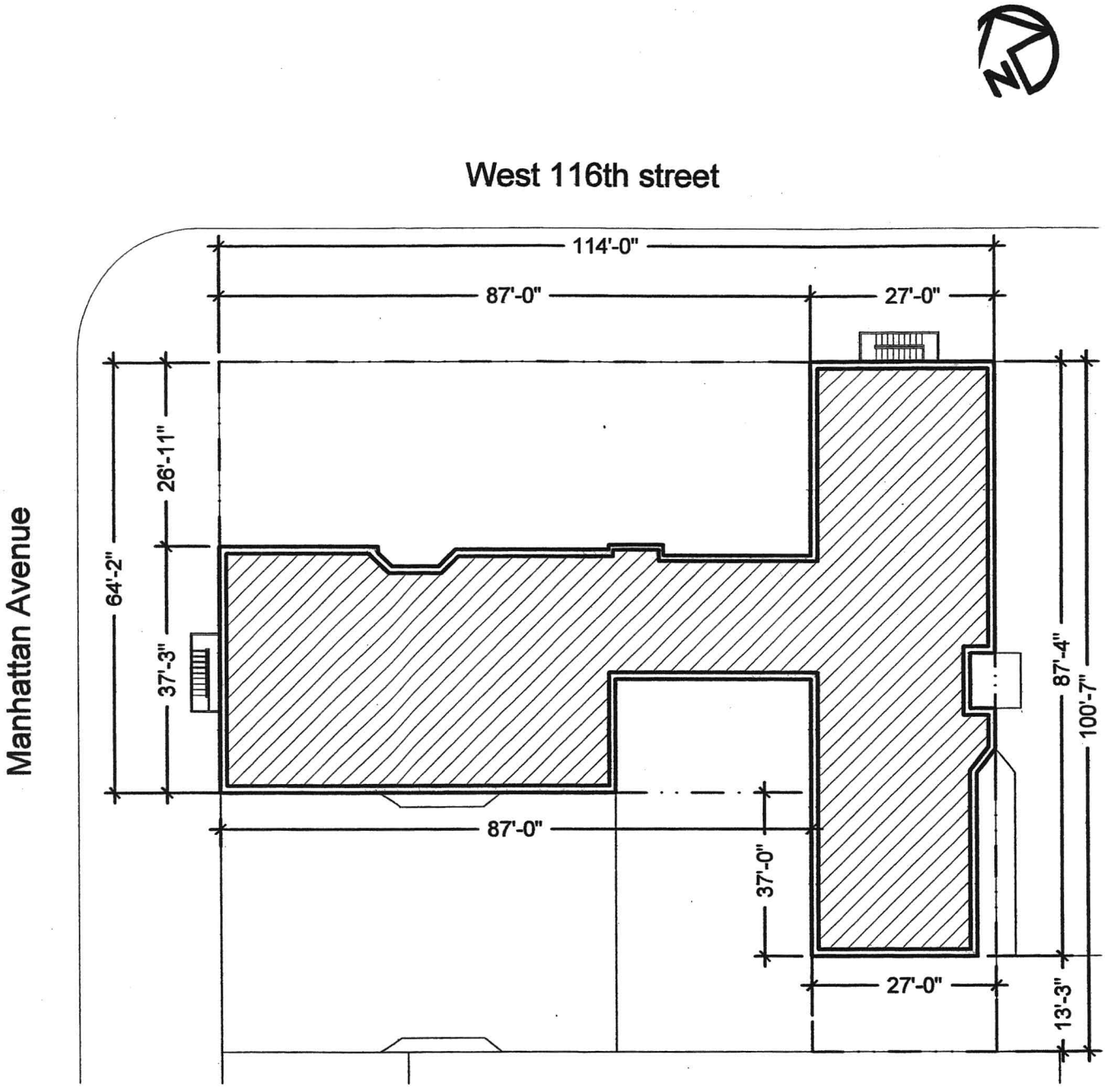
1. Site Plan (attached as first floor plan)
2. Apartment Unit Floor Plans (attached)
3. Ceiling Heights (see page 5)
4. Area of Each Unit (as shown on plans)
5. Unit Boundaries (as shown on plans)

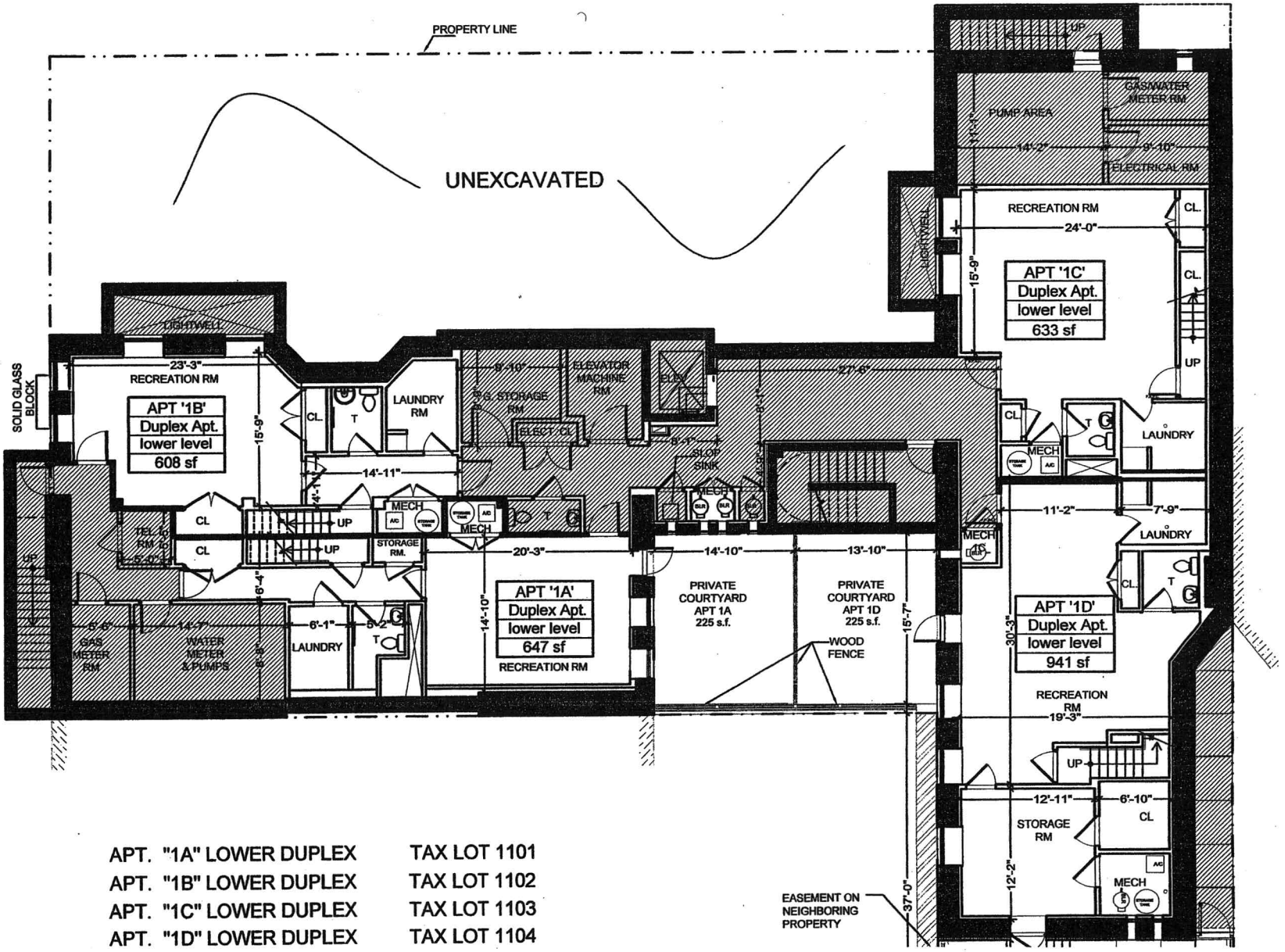
Report compiled by David L. Hirsch of Urban Architectural Initiatives.



David L. Hirsch

Site Plan

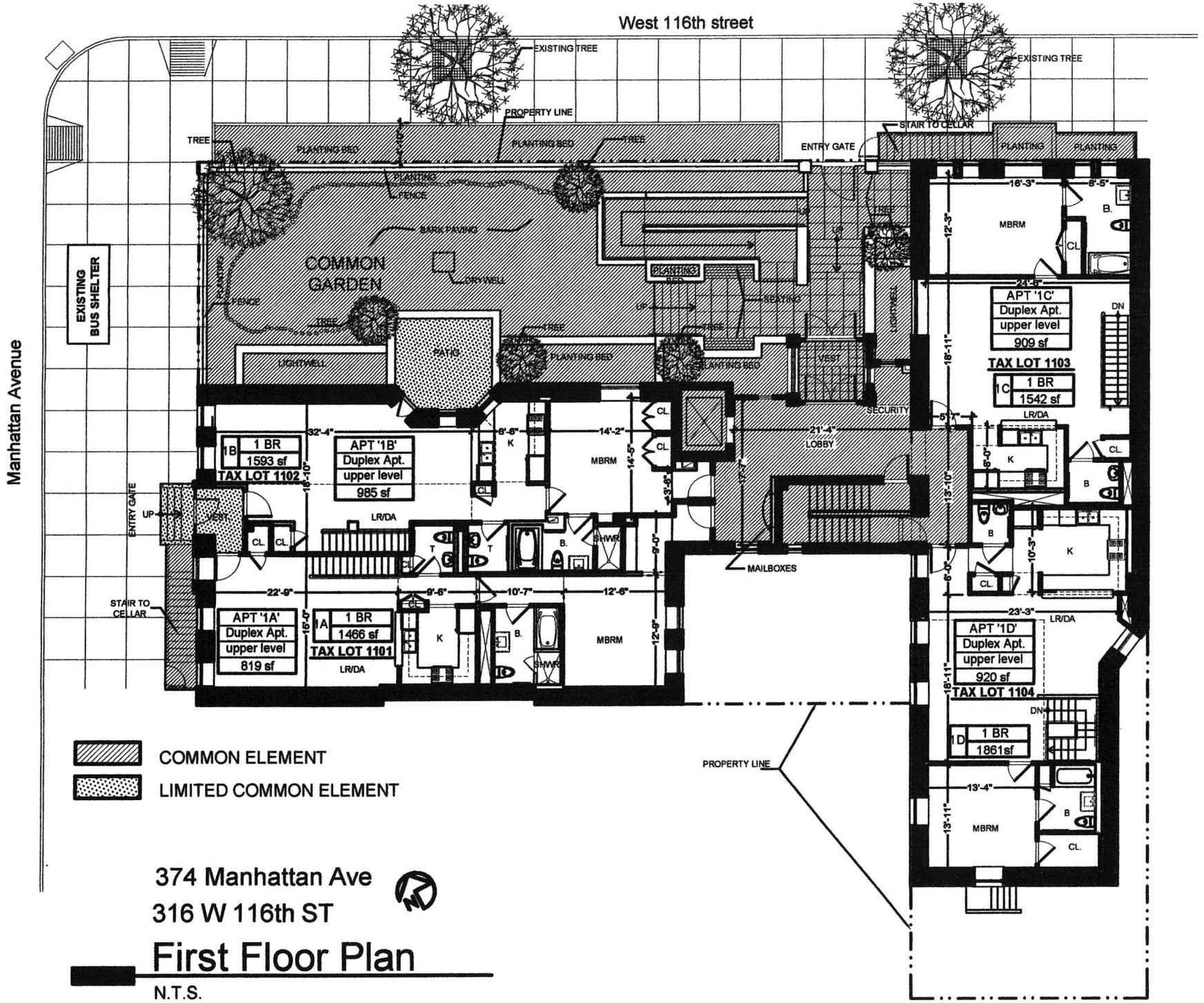

West 116th street
Manhattan Avenue
114'-0"
87'-0"
27'-0"
64'-2"
26'-11"
37'-3"
87'-4"
100'-7"
87'-0"
37'-0"
27'-0"
13'-3"



APT. "1A" LOWER DUPLEX TAX LOT 1101
APT. "1B" LOWER DUPLEX TAX LOT 1102
APT. "1C" LOWER DUPLEX TAX LOT 1103
APT. "1D" LOWER DUPLEX TAX LOT 1104

CELLAR FLOOR PLAN

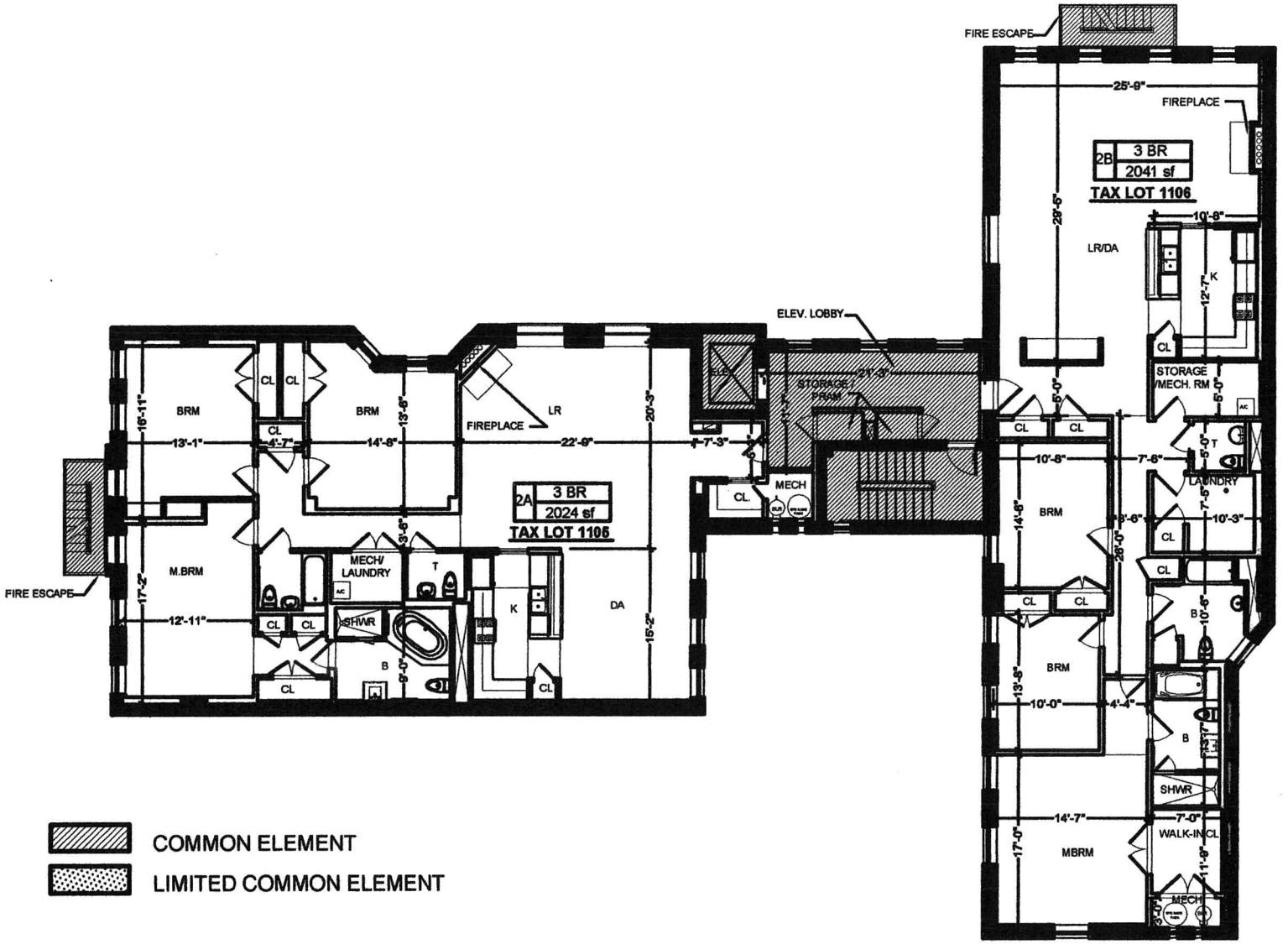
SCALE: 1/8" = 1'-0"



374 Manhattan Ave
316 W 116th ST

First Floor Plan

N.T.S.



COMMON ELEMENT

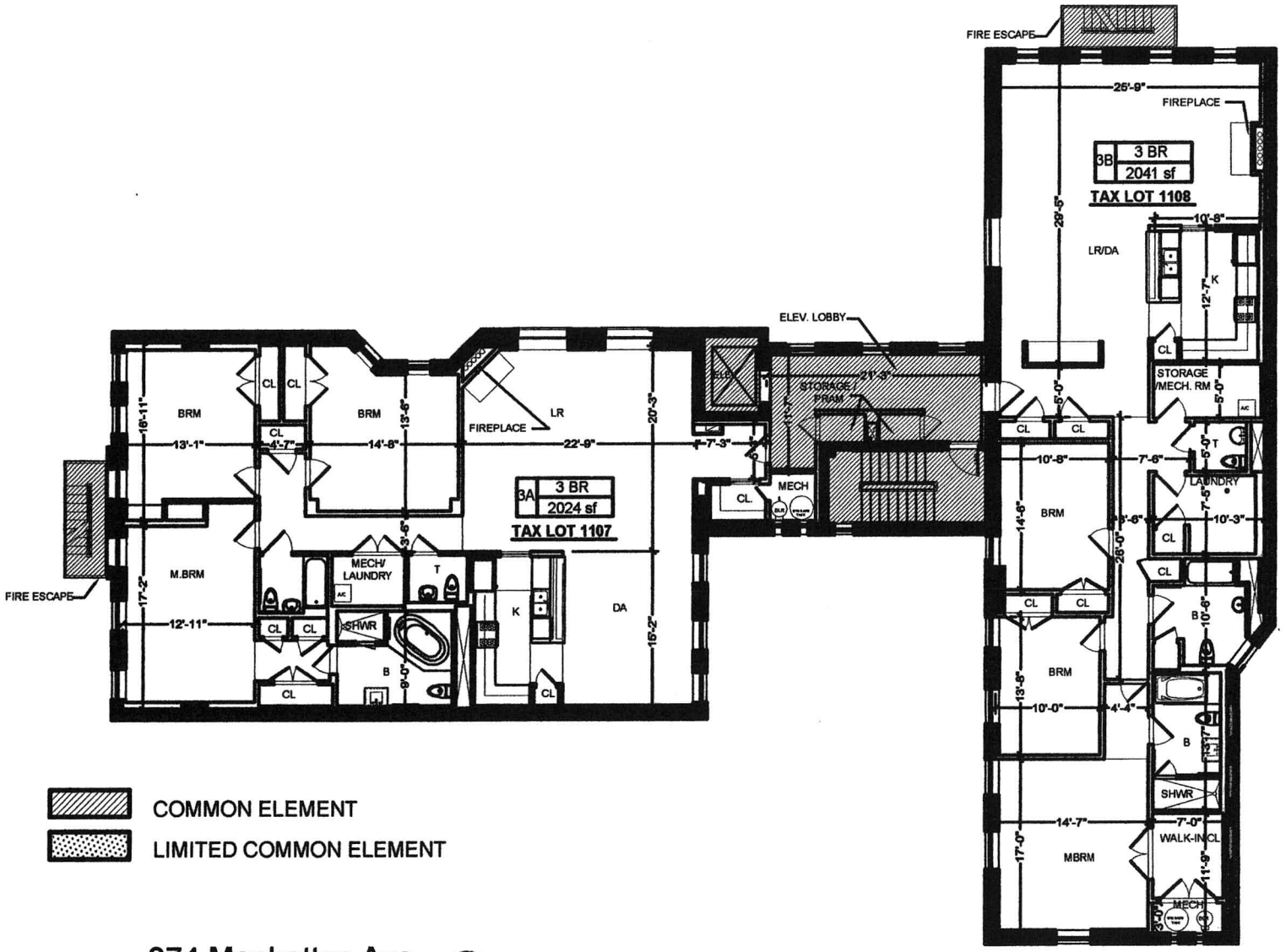
LIMITED COMMON ELEMENT

374 Manhattan Ave

316 W 116th ST

Second Floor Plan

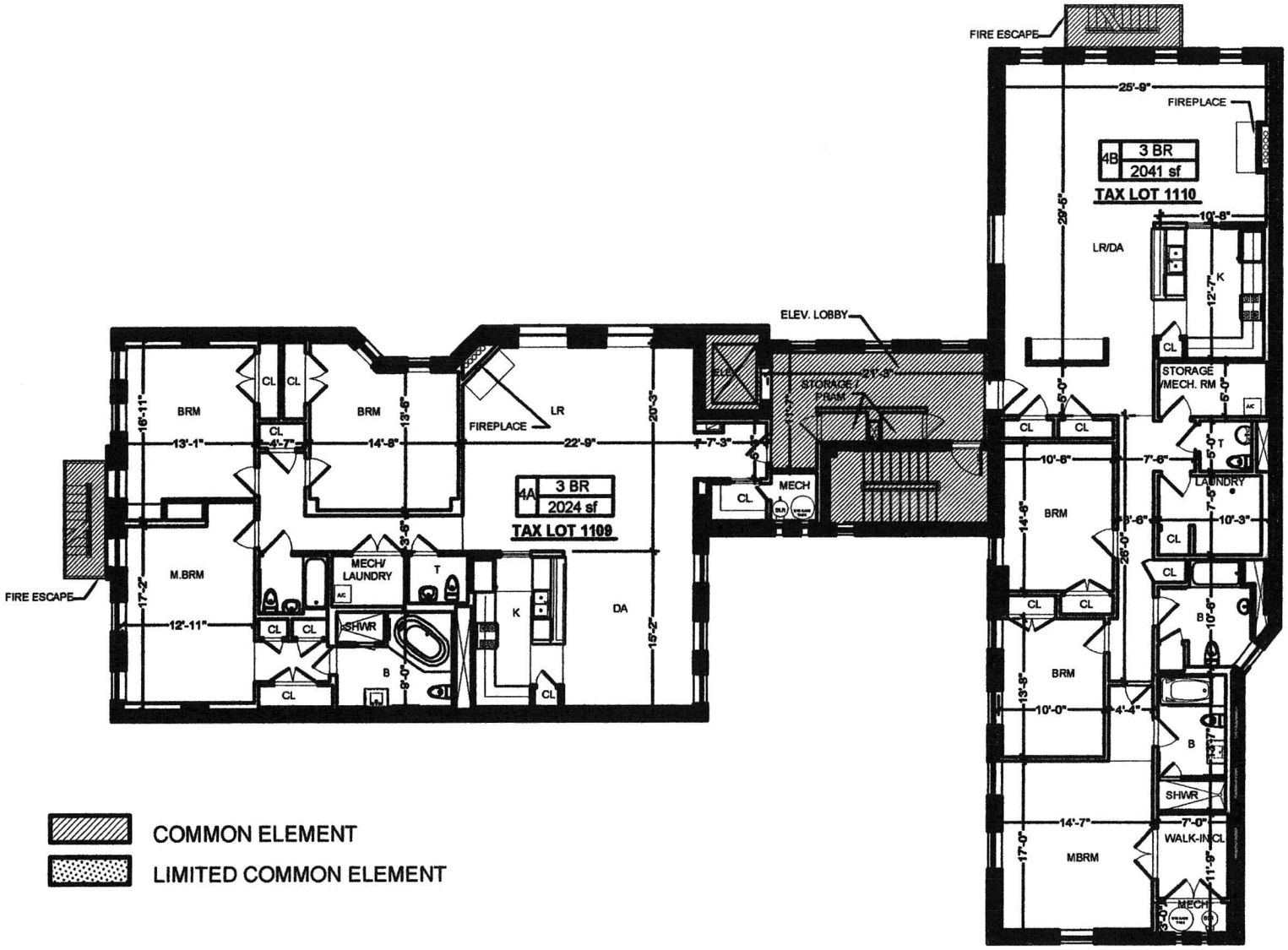
N.T.S.



374 Manhattan Ave
316 W 116th ST

Third Floor Plan

N.T.S.



COMMON ELEMENT

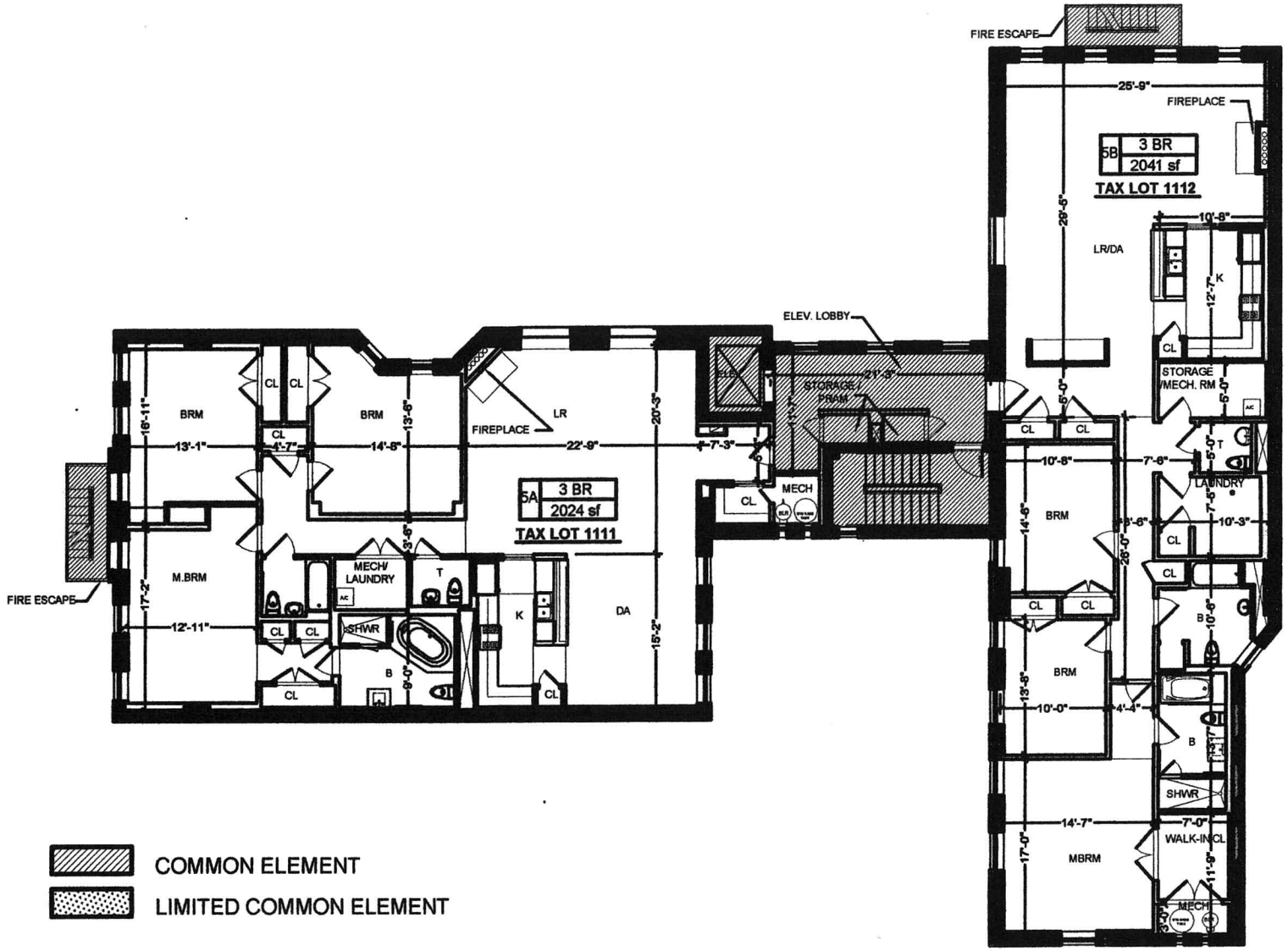
LIMITED COMMON ELEMENT

374 Manhattan Ave

316 W 116th ST

Fourth Floor Plan

N.T.S.



COMMON ELEMENT

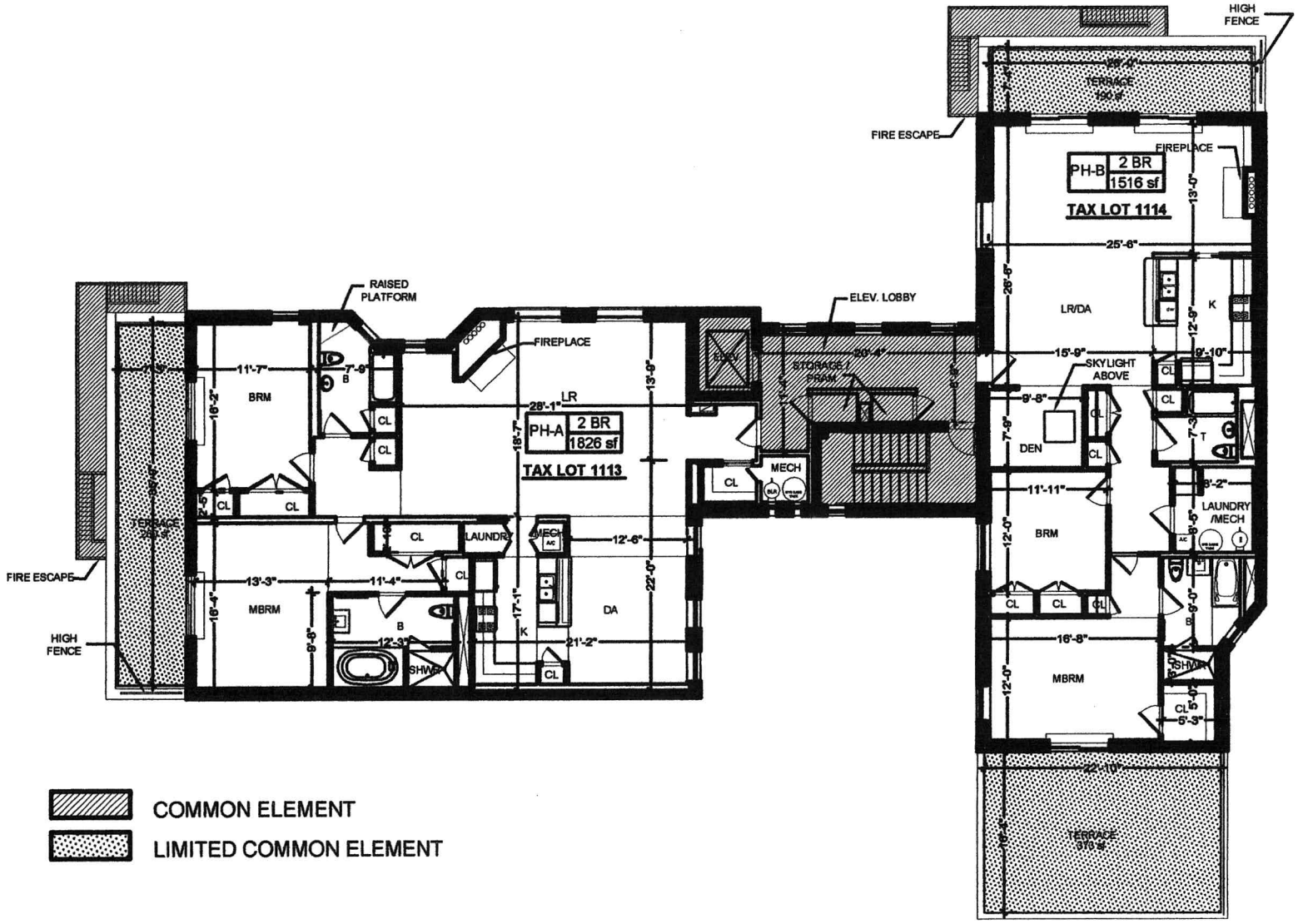
LIMITED COMMON ELEMENT

374 Manhattan Ave

316 W 116th ST

Fifth Floor Plan

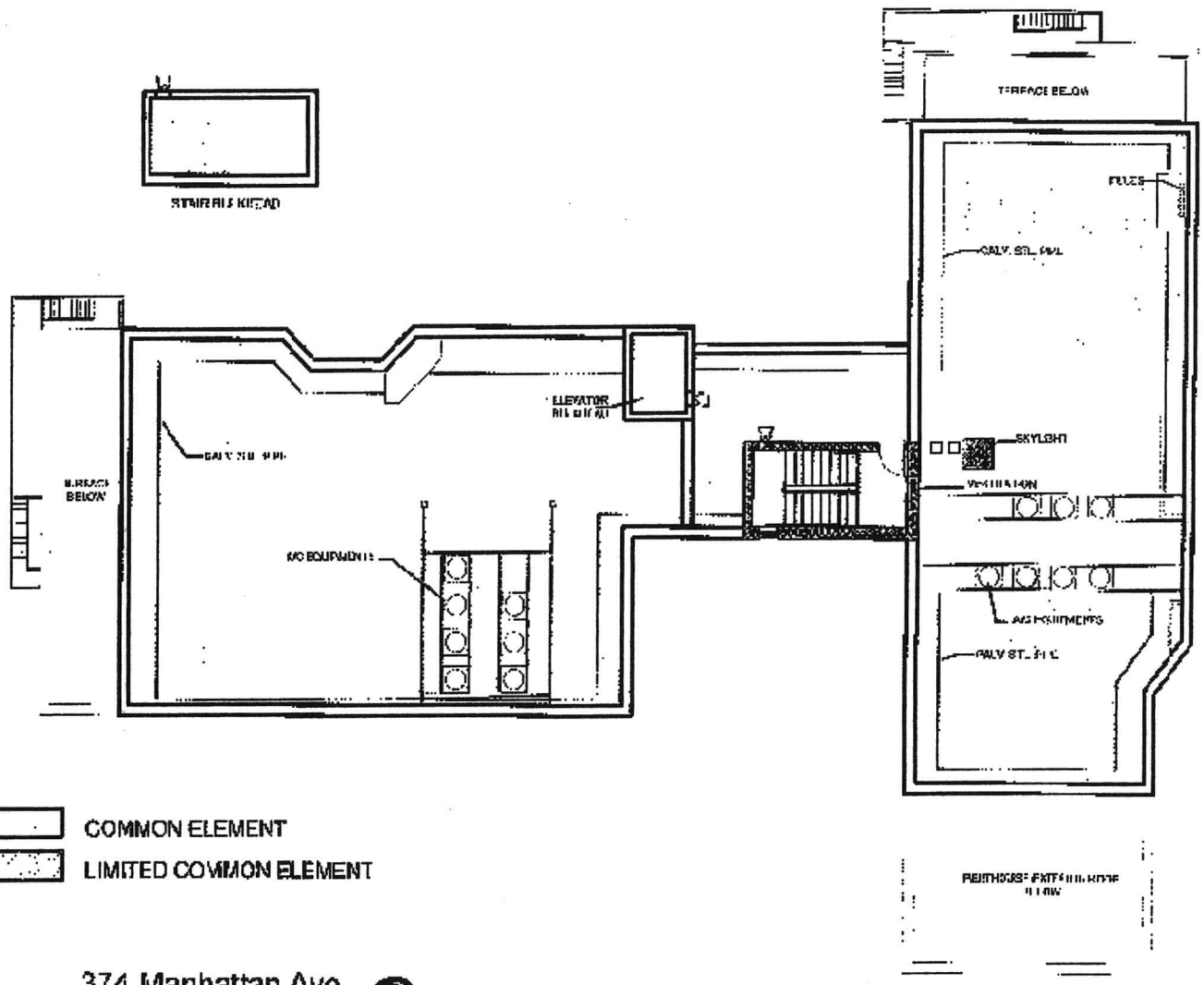
N.T.S.



374 Manhattan Ave
316 W 116th ST

Penthouse Floor Plan

N.T.S.



374 Manhattan Ave

316 W 116th ST

Roof Floor Plan

N.T.S.

FOR OFFICIAL USE ONLY
104095382
DEPT. OF BLDGS.
ACP 5 Fee $_____

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION
Asbestos Control Program
59-17 Junction Boulevard, 8th Floor, Corona, NY 11368-5107

ONL TYPEWRITTEN FORMS WILL BE ACCEPTED

NOT AN ASBESTOS PROJECT

When submitting this form at the NYC Department of Buildings, the original form and three (3) copies with original signature and seal are required. Submittal at the NYCDEP requires one copy of the form with original signature and seal.

2. Facility Address 316 WEST 116 STREET Borough Manhattan Zip 10027

AKA _____ 3. Block 1848 4. Lot 62

5. Building Owner HARLEM INFILL LLC C/O UAI Tel. # (212) 979-1510

6. Address 838 BROADWAY, 6TH FLOOR, NEW YORK State NY Zip 10003

7. Contact Person DAVID HIRSH, PRINCIPAL 8. Tel. # (212) 979-1510

9. Description of the Entire Scope of Work
INSTALLATION OF SPRINKLER ALARM. NO CHANGE OF USE, EGRESS OR OCCUPANCY UNDER THIS APPLICATION.

10. Est. Start Date _____ ☑ As soon as permit approved Est. Completion Date 8/30/05 of the Entire Scope of Work.

11. I, CARLOS MEDINA (Name of Certified Asbestos Investigator), have conducted an asbestos investigation on 4/21/05 (Date) in accordance with

Sections 1-16 and 1-27 of the NYC DEP Asbestos Control Program Rules and declare that at said facility address, the

- ☐ a. premise to be demolished is free of any asbestos containing material (ACM).
- ☐ b. premise to be demolished contains 10 square feet or less or 25 linear feet or less of ACM.
- ☑ c. cumulative surfaces of structure(s) affected by the work are free of ACM.
- ☐ d. cumulative surfaces of structure(s) affected by the work contain 10 square feet or less or 25 linear feet or less of ACM
- ☐ e. normally non-friable ACM shall be disturbed/removed. Specify amount: _____ square feet
- ☐ f. ACM will not be disturbed during the scope of work. Specify amount of ACM present: _____ square feet _____ linear feet

All ACM specified in "b", "d", or "e" must be removed in accordance with the DEP Asbestos Rules or NYS DOL ICR56.*

12. **RESULTS OF BUILDING SURVEY AND HAZARD ASSESSMENT:**

FLOOR (including cellar and basement)	DESCRIBE SECTION OF FLOOR (e.g. entire, east wing, room #, boiler room, lobby, etc.)	ALL MATERIALS ASSUMED TO CONTAIN ACM AND/OR SAMPLED	NUMBER OF SAMPLES ANALYZED	ASBESTOS PRESENT YES	ASBESTOS PRESENT NO	ASSUMED ACM
C, & 1-6	(AREAS OF WORK)	NONE	0		✓	

13. Analytical Laboratory N/A

14. ELAP # N/A (NYS DOH CERTIFICATION) 15. Date(s) Samples Analyzed _____ _____

16. **I hereby declare the information provided herein is true and complete.**

[signature] 948160512 4/22/05 (917) 693-7272
NYC DEP Certified Asbestos Investigator's Signature | Certificate Number | Date | Daytime Telephone Number

Any modification or deviation from information provided on this form must be reported immediately in writing directly to the NYCDEP. The requirements of the Asbestos Control Program Rules may not be lawfully avoided or lessened through the performance of work in incremental or piecemeal fashion.

* In-plant operations, as defined in §56-3.1 of ICR56, are not permitted in New York City.

SEAL OF THE NYC DEP CERTIFIED ASBESTOS INVESTIGATOR

CITY OF NEW YORK
CARLOS MEDINA
CERTIFIED ASBESTOS INVESTIGATOR

ACP5
2/2001

2. PURCHASE AGREEMENT

374 MANHATTAN CONDOMINIUM
316 WEST 116th STREET
NEW YORK, NEW YORK 10026

AGREEMENT dated _____, 2005, between **HARLEM INFIL LLC**, having an office c/o The Community Preservation Corporation, 28 East 28th Street, New York, New York 10016 (hereinafter "**Sponsor**"), and _____ [and _____] residing at/having an office at _____ _____, New York _____(hereinafter[, collectively,] "**Purchaser**").

Name(s) and manner in which title to the Unit will be taken (i.e., tenants-in-common, joint tenants with rights of survivorship, tenants by the entirety):_____

Purchaser Information	**Attorney Information**
Purchaser's Daytime Telephone No. _____	Name: _____
Purchaser's Evening Phone No. _____	Address: _____
Purchaser's Fax No. _____	_____
Purchaser's Social Security No. _____	_____
Purchaser's e-mail address _____	Telephone: _____
	Fax: _____

UNIT NO. _____ ***COMMON INTEREST:*** _____ %

PURCHASE PRICE: $_____

Payable at Contract Signing:

Down Payment (10% of Purchase Price)	$_____
Kitchen Counter Upgrade Payment (if applicable)	$_____
Decking Payment (if applicable)	$_____
Aggregate Payable At Signing	$_____

BALANCE DUE AT CLOSING
(Purchase Price less Down Payment) $_____

1. Receipt of Documents; Definitions.

a. Purchaser represents that Purchaser received a copy of the Offering Plan for 374 Manhattan Avenue Condominium, 316 West 116th Street, New York, New York 10026 (the "**Condominium**") and any and all filed amendments thereto (collectively, the "**Plan**" or "**Offering Plan**") and has read said Offering Plan.

b. If Purchaser executed this Agreement without having the opportunity to review the Offering Plan for at least three (3) business days before signing, Purchaser shall have the right to rescind this Agreement and receive back the down payment listed above within seven (7) days after the execution of this Agreement, provided written notice of rescission is personally delivered to Sponsor by the end of the seventh calendar day after the execution of this Agreement by Purchaser or is mailed to Sponsor at c/o Phillip Morrow, P.O. Box 444, Bronx, NY 10455 and postmarked within the seven (7) day period. If this rescission period is applicable to Purchaser, the last day to rescind is set in the footnote below. If no date is inserted, no rescission right applies.*

c. Purchaser understands that Purchaser and Sponsor are treating the entire content of the Plan and any filed amendments thereto as if it were included in this Agreement.

d. Capitalized terms used herein and not defined herein shall have the meanings given in the Offering Plan.

2. Agreement to Purchase.

a. Purchaser agrees to purchase from Sponsor, the Unit listed above together with its appurtenant undivided Common Interest (collectively, the "**Unit**"), for the Purchase Price shown above. Purchaser hereby is delivering to Sponsor Purchaser's check drawn on a New York bank for the Aggregate Payable at Signing shown above made payable to "*Mallin & Goldstein, P.C., as Escrow Agent*," and when Sponsor signs this Agreement Sponsor will be acknowledging receipt of Purchaser's check, subject to collection. If Purchaser is one individual or one entity, then simultaneously with this Purchase Agreement and the check for the Aggregate Payable at Signing, Purchaser is delivering Form W-9 (or applicable Form W-8, if appropriate) executed by Purchaser, and if Purchaser comprises two or more parties, then simultaneously with this Purchase Agreement and the check for the Aggregate Payable at Signing, Purchaser is delivering a statement designating one of the parties comprising Purchaser to receive the interest on the Aggregate Payable at Signing and Form W-9 (or applicable Form W-8 if appropriate), for the designated interest-recipient, as well as Form W-9 (or W-8, if applicable), executed by the designated interest-recipient.

b. All sums paid by Purchaser as the Down Payment or in accordance with Paragraph 5(c) of this Agreement, are referred to herein collectively as the "**Down Payment.**" All sums paid by Purchaser hereunder on account of the Kitchen Counter Upgrade Option and/or the Decking Option, are referred to herein collectively, as the "**Extras Payment.**"

c. All Down Payment sums paid on account of this Agreement and the reasonable expense of the examination of title to the Unit actually incurred by Purchaser, will become liens thereon, but such liens shall not continue after an uncured default by Purchaser under this Agreement.

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* Insert last day of rescission period if applicable: _____, 2005.

3. Agreement to Be Bound by the Condominium Documents.

a. Purchaser agrees to be bound by the Offering Plan, as same may be amended from time to time, and the Declaration together with the By-laws and other schedules attached thereto as same may be amended from time to time (the Declaration and schedules collectively, the "**Condominium Documents**"), all of which are incorporated by reference and made a part of this Agreement with the same force and effect as if set forth in full herein.

b. Purchaser understands that one of the provisions of the Condominium Documents to which Purchaser will be bound is that Purchaser may not sell or lease the Unit without prior notice to the Condominium Board and the Board's waiver of the Board's right of first refusal.

c. Purchaser understands and agrees that Purchaser may not retain Purchaser's own contractor to do work in or on the Unit until Purchaser owns the Unit, Purchaser may not enter the Unit until notified by Sponsor to inspect the Unit as set forth in ¶ 13 of this Agreement, and Purchaser may not permit Purchaser's architect or interior decorator to enter the Unit to do work therein before Purchaser owns the Unit. Purchaser also understands that once Purchaser owns the Unit, Purchaser may not make any alterations in the Unit unless and until Purchaser's proposed alteration plans have been reviewed and approved by the Board of Managers, in accordance with the procedures set out in the By-laws of the Condominium.

4. Representations, Obligations and Rights.

a. Sponsor represents that prior to the First Unit Closing Sponsor will record or cause to be recorded the Declaration and all exhibits thereto, which will be substantially in the form and substance of such documents contained in the Plan. Sponsor agrees that any changes to such documents will not substantially adversely affect Purchaser; if they will substantially adversely affect Purchaser, Purchaser will be given an opportunity to rescind this Agreement, pursuant to a filed amendment to the Plan.

b. In the event the Unit is substantially completed and a temporary or permanent certificate of occupancy covering the Unit is issued, Purchaser shall be obligated to close title to the Unit once Sponsor notifies Purchaser that Sponsor has declared the plan effective (as described in the Offering Plan), and recorded the Declaration. If Purchaser has inspected the Unit as described in ¶ 13 of this Agreement and has noted certain Punchlist Items which Sponsor has agreed in writing to attend to, Purchaser shall still be obligated to close if there is a temporary or permanent certificate of occupancy covering the Unit. Sponsor will use reasonable effort to complete Punchlist Items specified on an Inspection Statement signed by Sponsor and Purchaser (a form of which is included in Part II of the Plan), prior to the Unit Closing or within a reasonable period of time following the Unit Closing, weather permitting, subject to force majeure delays and subject to Purchaser's provision of access to the Unit to Sponsor and/or Sponsor's contractors and/or agents, as more fully set forth in the Inspection Statement itself.

c. Purchaser understands Sponsor reserves the right to make changes or substitutions of materials or construction for items in the Unit or in the Common Elements, from those set forth in the Plans and Specifications, as described in the Offering Plan.

5. Closing of Title.

a. Sponsor will notify Purchaser in writing at least 30 days in advance of closing to tell Purchaser the date, time and place of closing. Said date shall be referred to herein as the "**Original Scheduled Closing Date.**" If the Unit comprises two or more Units, Purchaser must close on all Units simultaneously, unless Sponsor, in its sole discretion consents to separate closings. Purchaser may close earlier than the Original Scheduled Closing Date at a date and time mutually agreeable to Sponsor and Purchaser. Sponsor's written notice to close will state a date at least 10 days after an amendment to the

Plan declaring the Plan effective has been accepted for filing by the Attorney General. Sponsor will be entitled, with no liability to Sponsor, to reasonable adjournments in the closing of title in the event of delay because of weather conditions, strikes or materials shortages, delays in inspections and reports thereon, delays in processing of required documents by applicable governmental agencies, or due to any other reasons whatsoever.

b. If Purchaser is not ready to close title on the Original Scheduled Closing Date, any adjournment granted by Sponsor at Purchaser's request will be, at Sponsor's discretion, upon the conditions that (i) all adjustments shall be made as of the Original Scheduled Closing Date, and (ii) at closing, Purchaser shall pay Sponsor, by unendorsed personal certified check or bank check drawn on a bank that is a member of the New York Clearinghouse Association, an adjournment fee (the "**Adjournment Fee**") derived by (A) multiplying the Total Purchase Price for the Unit by 14%, (B) dividing that product by 365, and (C) multiplying the resulting amount by the number of days the closing is delayed (beginning with the Original Scheduled Closing Date and ending with the actual closing date). The Adjournment Fee shall in no event be applied towards payment of the Total Purchase Price and shall be payable in addition to same. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the Original Scheduled Closing Date. However, the provisions shall apply to any postponements by Purchaser of an agreed-upon adjourned closing date.

c. PURCHASER UNDERSTANDS THAT IF PURCHASER REQUESTS MORE THAN ONE ADJOURNMENT OF THE ORIGINAL SCHEDULED CLOSING DATE OR IF PURCHASER REQUESTS AN ADJOURNMENT OF THE ORIGINAL SCHEDULED CLOSING DATE IN EXCESS OF THIRTY (30) DAYS, SPONSOR SHALL HAVE THE RIGHT, IN SPONSOR'S SOLE DISCRETION, TO REQUIRE THAT AS A CONDITION OF THE ADJOURNMENT PURCHASER MUST DEPOSIT AN ADDITIONAL PAYMENT IN AN AMOUNT OF UP TO 5% OF THE TOTAL PURCHASE PRICE, INTO ESCROW WITH THE ESCROW AGENT, WHICH ADDITIONAL PAYMENT, IF MADE, SHALL BE HELD IN THE ESCROW ACCOUNT AS PART OF THE DOWN PAYMENT. SPONSOR ALSO SHALL HAVE THE RIGHT UNILATERALLY TO MAKE TIME OF THE ESSENCE WITH RESPECT TO PURCHASER'S OBLIGATION TO CLOSE ON ANY RESCHEDULED CLOSING DATE TO WHICH SPONSOR CONSENTS. A TIME OF THE ESSENCE OBLIGATION MEANS THAT IF PURCHASER FAILS TO CLOSE ON THE RESCHEDULED CLOSING DATE FOR ANY REASON WHATSOEVER, SPONSOR HAS THE RIGHT TO TERMINATE THIS PURCHASE AGREEMENT AND RETAIN PURCHASER'S DOWN PAYMENT TOGETHER WITH ANY INTEREST EARNED THEREON, AS LIQUIDATED DAMAGES. NOTHING HEREIN SHALL BE CONSTRUED TO REQUIRE SPONSOR TO GRANT ANY ADJOURNMENT.

d. At the closing, Sponsor will deliver any certificates and warranties delivered to Sponsor and transferable to Purchaser for appliances in Purchaser's Residential Unit, and other warranties Sponsor has undertaken to deliver under the Plan, if any, or Sponsor will make them available at the Property on the day of the closing.

e. The existence of unpaid taxes of any kind at the time of title closing shall not constitute an objection to title, provided Sponsor shall deposit a sufficient amount with Fidelity National Title Insurance Company of New York (the "**Title Company**") so that the Title Company is willing to insure against collection of unpaid taxes from the Unit. Sponsor and Purchaser agree that Sponsor will discharge any liens upon the Unit (or will deposit sufficient security with the Title Company so that the Title Company is willing to omit the lien as an exception to Purchaser's title insurance coverage) prior to or simultaneously with the Unit Closing, and that Sponsor may pay and discharge any such liens upon the Unit (or secure the Title Company as described above), out of the monies to be paid by Purchaser at the time of closing.

f. If title to the Unit is to be conveyed by Sponsor to a corporation, a partnership, a limited liability company, a trust, an estate, an unincorporated association, an organization, a syndicate, a joint venture, a government (or any mission, department or agency thereof), or any other entity, Purchaser shall provide Sponsor with documents evidencing the formation of the entity purchasing the Unit, together with a resolution, consent or other indication of authority, authorizing (i) the purchase of the Unit, (ii) the execution of the documents required to be signed by Purchaser in connection with the conveyance of the Unit, and (iii) the use of Purchaser's funds to pay the purchase price and closing costs. Notwithstanding the foregoing, before any such conveyance to a government or any mission, department or agency thereof shall be valid and effective, Purchaser shall enter into an agreement with the Board of Managers, on terms reasonably acceptable to the Board and its counsel, in which Purchaser (i) agrees to a specified arrangement for service of process, (ii) waives, with respect to the Unit Owner and any occupants of the Unit, any claim of sovereign immunity (and diplomatic and consular immunity, if applicable), with regard to any proceedings brought by the Board of Managers, and (iii) permits execution and enforcement of any judgment obtained by the Board of Managers or any of its committees, all as more fully described in the By-laws.

6. Delivery of Deed; Payment of Taxes and Fees.

a. On the Unit Closing Date Sponsor will deliver or cause to be delivered a deed in proper statutory form for recording known as a bargain and sale deed with covenant against grantor's acts which shall be duly executed and acknowledged by Sponsor as grantor and which Purchaser must sign as grantee. The deed shall contain a description of the Unit being conveyed and shall be acceptable and/or approved so as to validly convey title under the Condominium Act.

b. When Purchaser is given a deed for the Unit, Purchaser will give Sponsor, or anyone Sponsor designates, Purchaser's unendorsed personal certified check or official bank check, for the Balance Due at Closing as shown above, drawn on a New York bank to the order of Sponsor, or to any other person(s) or entity(ies) Sponsor directs.

c. Purchaser shall pay the (i) New York State Real Estate Transfer Tax (i.e., the deed documentary stamps), (ii) the New York City Real Property Transfer Tax, (iii) any and all administrative filing fees imposed by New York City or New York State in connection with filing the tax returns for such Transfer Taxes due upon conveyance of each deed, and (iv) any filing fees required to file the NYS Real Property Transfer Tax Report (RP-5217NYC), all as fully described in the Plan. In addition, Purchaser shall pay the "Mansion Tax" if applicable, also as fully described in the Plan. Purchaser shall also pay any other transfer taxes imposed by statute on purchasers of real property and all recording fees in connection with this transaction, including but not limited to any fees necessary to record releases or satisfactions of liens affecting the Unit which Sponsor is obligated to discharge at or prior to closing.

d. Purchaser agrees to accept a good and insurable title free and clear of all liens and encumbrances, except the Permitted Encumbrances described in the Offering Plan, as the Title Company will approve and insure for mortgage and/or fee title insurance. Fee title insurance, if ordered by Purchaser, shall be purchased at Purchaser's own cost and expense. If Purchaser elects to obtain title insurance through an abstract company (regardless of the title company through which the abstract company is insuring), or through a title company other than the Title Company, First American Title Insurance Company of New York or Commonwealth Land Title Insurance Company, Purchaser shall be obligated to pay Sponsor's counsel at closing an additional legal fee in the amount of $350 for the cost of clearing title to the Unit with such abstract company or other title company, if applicable case law, statute, regulation or the Department of Law then permit, as described in Part I, Section M of the Plan entitled "Closing Costs and Adjustments." When Sponsor gives Purchaser the deed to Purchaser's Unit, Purchaser will deliver the deed to the title company's title closer or to Purchaser's attorney (if Purchaser does not obtain title insurance), or to Sponsor's attorney if Purchaser is not represented by counsel, so that the deed can be recorded (or delivered for recording) in the Office of the City Register. Simultaneously with

delivery of the deed, Purchaser must execute the power of attorney to the Board of Managers substantially in the form contained in the Plan, allowing the Board and Sponsor to take certain actions on Purchaser's behalf. The power of attorney must be recorded in the Office of the City Register as well.

e. At the closing hereunder, Purchaser shall pay Purchaser's Working Capital Fund contribution in accordance with the terms of the Plan.

7. Liability to Convey Title.

a. Purchaser agrees that Sponsor may cancel this Agreement by forwarding Sponsor's check in the full amount of the Down Payment paid by Purchaser together with interest earned thereon, if any, plus any unapplied portion of the Extras Payment, and together with a written termination notice, in the event that (i) any governmental bureau, department or subdivision thereof imposes restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restrictions prevent Sponsor from obtaining such materials from Sponsor's regular suppliers or from using them in the construction and/or completion of the Units, or (ii) Sponsor is unable to obtain materials from Sponsor's usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, or the installation of public utilities is restricted or curtailed.

b. (i) In the event Sponsor is unable to convey title to the Unit on or before thirty-six months after Purchaser has signed this Agreement (which period shall be extended to forty-eight months in the event of force majeure delays and delays due to other circumstances and conditions beyond Sponsor's control), then provided Purchaser is not then in default under this Agreement, Purchaser shall have the right to cancel this Agreement. Such right shall be exercised, if at all, by Purchaser, in writing, within ten (10) business days after the end of the 36-month or 48-month period, as applicable.

(ii) In the event of cancellation of this Purchase Agreement by Purchaser pursuant to the foregoing provision, and provided Purchaser is not then in default hereunder, the Down Payment made by Purchaser hereunder shall be returned to Purchaser with interest, if any shall be earned thereon and payable to Purchaser hereunder or pursuant to the Plan, plus any unapplied portion of the Extras Payment, and Sponsor and Purchaser shall have no further rights or obligations with respect to each other generally, or under this Agreement specifically.

(iii) In addition to the foregoing, Sponsor shall have a right to abandon the Plan, as described therein. If Sponsor exercises its right to abandon the Plan, and provided Purchaser is not then in default hereunder, Sponsor shall terminate this Agreement and thereupon shall return to Purchaser the Down Payment made by Purchaser hereunder with interest, if any is earned thereon and payable to Purchaser hereunder or under the Plan, plus any unapplied portion of the Extras Payment. Upon such termination of the Purchase Agreement and return of Purchaser's Down Payment plus interest if same shall be payable to Purchaser hereunder, plus any unapplied portion of the Extras Payment, Sponsor and Purchaser shall have no further rights or obligations with respect to each other generally or under this Agreement, specifically.

c. Sponsor's liability under this Agreement for failure to complete and/or deliver title for any reason, other than Sponsor's willful default, shall be limited to the return of Purchaser's Down Payment paid hereunder, together with interest earned thereon, if any. Upon the return of Purchaser's Down Payment, together with interest earned thereon, if any, plus any unapplied portion of the Extras Payment, this Agreement shall be null and void and Purchaser and Sponsor will be released from any and all liability to each other. In any event, Sponsor shall not be required to bring any action or proceeding or otherwise incur any expense to render title to the Unit marketable or to cure any objection to title, except as may be set forth in the Plan.

d. If Sponsor or Purchaser delays or adjourns the closing, Sponsor shall in no event be liable for the costs, if any, Purchaser incurs as a result of the delay or adjournment, or for any other damages whatsoever.

8. Closing Apportionments.

When Sponsor gives Purchaser the deed to the Unit, Sponsor and Purchaser will apportion between themselves the real estate taxes and Common Charges for the Unit, so that Sponsor pays those real estate taxes and Common Charges attributable to any time period prior to the midnight before Sponsor gives Purchaser the deed and Purchaser will pay the rest. The foregoing is subject to the Board's right to delay imposition of Common Charges for a period of time, as set forth in the By-laws.

9. Down Payment and Extras Payment To Be Held in Trust.

a. All Down Payment monies and Extras Payment monies received from Purchaser by Sponsor or through Sponsor's agents or employees on account of the Purchase Price, will be delivered by Sponsor to *Mallin & Goldstein, P.C.* (**"Escrow Agent"**). Escrow Agent will deposit all such funds received from Purchaser in Purchaser's name in a sub-account of a master attorney trust account entitled "*374 Manhattan Condominium Attorney Trust Account*" (the **"Escrow Account"**), at HSBC Bank USA, at its branch located at 110 William Street, New York, New York (or at any other lending institution in which Escrow Agent elects to maintain her attorney trust account). ***Before Escrow Agent can deposit the funds in the sub-account, however, Escrow Agent must receive an original completed Form W-9 (or applicable Form W-8, if appropriate) executed by Purchaser (or, as described in Paragraph 2(a) above, if Purchaser comprises more than one party, Form W-9 or applicable Form W-8 executed by the party designated in writing by all parties comprising Purchaser to serve as the recipient of interest earned on the Down Payment).***

b. The Down Payment funds will be held in escrow until the earlier of (i) Purchaser's closing under this Purchase Agreement (in which event they will be paid to Sponsor or anyone Sponsor directs), (ii) Purchaser's permitted rescission of this Purchase Agreement (in which event they will be paid to Purchaser), (iii) Sponsor's termination of this Purchase Agreement following Purchaser's continuing default under this Purchase Agreement after delivery to Purchaser by Sponsor of a notice of default and expiration of the applicable cure period in accordance with the Plan and this Purchase Agreement (in which event they will be paid to Sponsor), (iv) otherwise directed in a writing signed by Sponsor and Purchaser directing disposition of the funds, (v) otherwise directed by a determination of the Attorney General directing the disposition of such funds pursuant to the dispute resolution procedures contained in the Attorney General's regulations, (vi) otherwise directed by a judgment or order of a court of competent jurisdiction directing the disposition of such funds, (vii) Escrow Agent is changed in connection with a transfer of funds to a new escrow agent, or (viii) Sponsor's abandonment of the Plan (in which event they will be paid to Purchaser), all in accordance with the provisions contained in the section of the Plan entitled "Procedure to Purchase."

c. Any interest earned on the monies in the Escrow Account will be paid to Purchaser at or following closing. Upon Purchaser's permitted rescission or upon termination of this Purchase Agreement, interest earned on the monies in the Escrow Account shall be paid as Sponsor and/or Sponsor and Purchaser, as applicable, direct. Upon Sponsor's abandonment of the Plan, interest shall be returned to Purchaser with the Down Payment. If the Down Payment funds are paid to Sponsor as liquidated damages, interest earned thereon will be paid to Sponsor as part of the liquidated damages payment. The Down Payment held by Escrow Agent will be held and disbursed in accordance with the provisions of General Business Law Sections 352(h) and 352-e(2-b), as more fully described in the Plan. The signature of a member of Mallin & Goldstein P.C. will be necessary to release funds from the Escrow Account.

d. The Extras Payment is payable upon execution of this Agreement. Said funds will be deposited into the Escrow Account contemporaneously with the Down Payment. However, said funds may be released by Escrow Agent to Sponsor in whole or in part prior to closing hereunder, upon certification by Sponsor to Escrow Agent that Sponsor has incurred the cost for which the funds were deposited, and specifying the cost incurred. Upon receipt of such certification, Escrow Agent shall be authorized to release the specified amount from escrow to Sponsor. Accordingly, if Purchaser has made an Extras Payment and hereafter is entitled to rescission of this Purchase Agreement through amendment to the Offering Plan or otherwise, Purchaser will not be entitled to a refund of any portion of the Extras Payment released to Sponsor or certified by Sponsor to be required, for payment of costs incurred by Sponsor in connection with the Kitchen Counter Upgrade Option and/or the Decking Option, as applicable.

10. Sponsor's Rights If Purchaser Fails to Keep Promises and Agreements.

a. If Purchaser fails to pay the Balance Due at Closing on the Original Scheduled Closing Date or any permitted adjournment thereof, or if when Sponsor tenders Purchaser the deed to the Unit, Purchaser does not then sign any of the documents referred to in the Plan which Purchaser is required to sign, or if Purchaser violates, repudiates or fails to perform any of the terms of this Agreement or fails to keep any other promise contained in this Agreement, Purchaser shall be in default hereunder, and Sponsor shall be entitled to terminate this Agreement or at Sponsor's discretion, to bring legal action against Purchaser to specifically perform this Agreement.

b. Before Sponsor may terminate this Agreement and keep Purchaser's Down Payment, Sponsor must first send Purchaser a notice by registered or certified mail, return receipt requested, stating that Sponsor intends to cancel this Agreement, specifying the reasons Purchaser is in default, and granting Purchaser a period of at least thirty (30) days to cure said default(s). SPONSOR RESERVES THE RIGHT TO MAKE TIME OF THE ESSENCE WITH RESPECT TO PURCHASER'S OPPORTUNITY TO CURE PURCHASER'S DEFAULT WITHIN THE SPECIFIED CURE PERIOD. AFTER THE SPECIFIED CURE PERIOD EXPIRES, IF PURCHASER'S DEFAULT REMAINS UNCURED, SPONSOR MAY TERMINATE THIS AGREEMENT, RETAIN PURCHASER'S DOWN PAYMENT TOGETHER WITH ANY INTEREST EARNED THEREON, AS LIQUIDATED DAMAGES, AND SELL THE UNIT TO ANOTHER PURCHASER AS IF THIS AGREEMENT HAD NEVER BEEN MADE. Once this Purchase Agreement is terminated and the Down Payment is retained by Sponsor as liquidated damages, neither Sponsor nor Purchaser will have any further obligations to each other generally or under this Agreement specifically.

11. Agreement Subject to Sponsor Declaring the Plan Effective.

This Agreement is contingent upon Sponsor declaring the Plan effective. Sponsor has the right to abandon the Plan at any time before Sponsor declares the Plan effective or before Sponsor has received and accepted Purchase Agreements for 80% of the Residential Units offered under the Plan. If the Plan is abandoned for any reason, Sponsor will, within ten (10) business days thereafter, remit to Purchaser a full refund of Purchaser's Down Payment and the interest earned thereon, if Purchaser is entitled to the interest hereunder or under the Plan, plus any unapplied position of the Extras Payment. After Purchaser receives such refund, neither Sponsor nor Purchaser will have any claim against the other and neither party will have any further obligation under this Agreement.

12. Notices.

Any notice (including a letter, request, consent or other communication) which either party wants to give to the other concerning items relating to the purchase and closing of title to the Unit, must be in writing and must be sent by registered or certified mail, return receipt requested, to

the respective addresses shown on page one of this Agreement. Purchaser will send a copy of any notice Purchaser gives Sponsor to Sponsor's Closing Counsel, Mallin & Goldstein, P.C., 132 Nassau Street, New York, New York 10038, Attn: Matthew Hall, Esq. Sponsor and Purchaser can specify a different address for themselves by giving notice of it to the other. A notice shall be considered given five (5) days after the date it is mailed, except that a notice of an address change shall be considered given when it is received. Any notice sent by Sponsor's Closing Counsel on Sponsor's behalf to Purchaser or to Purchaser's attorney set forth on the first page of this Agreement (or to any other attorney purporting to represent Purchaser), shall be deemed notice by Sponsor, should notice need be given by Sponsor pursuant to this Agreement. If Purchaser's name, address or phone number changes, or if Purchaser's attorney's name, address or phone number changes from that set forth on the first page of this Agreement, Purchaser shall provide Sponsor with the pertinent new name, address and/or phone number immediately.

13. Inspection and Acceptance of the Unit.

a. Purchaser's signing of this Agreement shall constitute Purchaser's agreement to accept (i) the Unit in the condition it is in on the Unit Closing Date, including the then existing kitchen, bathroom(s) and other appliances, fixtures, equipment and installations, and subject to the conditions set forth herein and on the Punchlist (defined below) attached to the Inspection Statement (the form of which is found in Part II of the Plan), which Purchaser will have the right to complete with Sponsor's representative's approval prior to closing pursuant to this Agreement (the "**Inspection Statement**").

b. (i) Purchaser agrees to accept the deed to the Unit without any abatement of the Total Purchase Price or provision for escrow, notwithstanding incomplete construction of (i) minor details in the Unit or the Project, or (ii) other Units, or (iii) the Common Elements or Limited Common Elements of the Project customarily left incomplete until after occupancy of the Unit or full occupancy of the Project, as applicable, provided the Unit is covered by at least a temporary certificate of occupancy.

(ii) Purchaser understands that certain items including, but not limited to, shower heads, toilet seats, kitchen cabinet knobs and vanity knobs, mechanical chimes, plumbing fittings, light fixtures, electrical receptacles, toilet accessories, door hardware and minor parts of kitchen cabinets, may not be installed at the time of the walk-through. Some of these items are of the type left off until the Purchaser is about to take occupancy, to prevent pilferage. Other items will be installed subject to availability. Still other items may have been installed but damaged during the course of construction. To the extent any such Punchlist Items are noted on the Inspection Statement Punchlist and agreed to by Sponsor in writing, Sponsor will make reasonable efforts to have these items installed at Sponsor's discretion prior to the Unit Closing or within a reasonable period of time following the Unit Closing hereunder, provided Purchaser permits Sponsor access to do so, as set forth in the Inspection Statement.

c. At least ten (10) days before the Unit Closing, Sponsor will advise Purchaser of a date and time prior to closing when Purchaser may inspect the Unit. Purchaser shall attend such inspection with one of Sponsor's representatives, and shall, together with Sponsor's representative, complete, date and sign the Inspection Statement at the conclusion of the inspection. If, however, during the inspection Purchaser notes certain Punchlist Items that Sponsor, through its inspection representative, agrees to complete, repair or replace, these items shall be itemized on a list attached to the Inspection Statement which list must be initialed by Sponsor's representative and signed and dated by both Sponsor's representative and Purchaser to be binding on Sponsor (the "**Punchlist**"). The only Punchlist Items Sponsor shall be obligated to complete shall be those contained in such initialed and dated Punchlist.

d. PURCHASER AGREES THAT NO DISCUSSION OF PUNCHLIST ITEMS IS TO TAKE PLACE AT THE CLOSING ITSELF. NOTWITHSTANDING ANYTHING TO THE

CONTRARY IN THIS AGREEMENT, PURCHASER MAY NOT INSPECT THE UNIT UNTIL SPONSOR HAS NOTIFIED PURCHASER THAT THE UNIT IS READY FOR INSPECTION.

e. Purchaser's failure to attend the inspection appointment within the 10-day period set forth above, or to sign and deliver the completed Inspection Statement and/or Punchlist, shall not excuse Purchaser from paying the Balance Due at Closing and shall constitute Purchaser's full and unconditional acceptance of the Unit in its "as-is" condition.

f. Sponsor's agreement to complete items on the Inspection Statement Punchlist shall obligate Sponsor to perform Sponsor's work in accordance with the standards for Sponsor's work set forth therefor in the Plan and all applicable codes and regulations. Purchaser's execution of the Inspection Statement shall obligate Purchaser to provide access to Sponsor and/or its contractors and agents, to perform the work specified therein. Purchaser's failure to permit Sponsor (or Sponsor's contractors, agents or employees) access to the Unit to complete Punchlist items, shall constitute Purchaser's waiver of completion of the Punchlist items.

g. Following Purchaser's closing, when Purchaser makes arrangements to move into the Building, PURCHASER AGREES TO FOLLOW THE MOVE-IN PROCEDURES ESTABLISHED BY SPONSOR AND/OR THE BOARD OF MANAGERS, WHICH MOVE-IN PROCEDURES WILL BE EXPLAINED AND DELIVERED TO PURCHASER AT THE TIME PURCHASER CLOSES TITLE TO PURCHASER'S UNIT. Move-ins are to be coordinated with the Managing Agent. Move-ins will be scheduled for a business day (i.e., a Monday through Friday that is not a legal or religious holiday) that is within five (5) business days following the Unit Closing, or at such later date as Purchaser shall request. Move-ins are to be coordinated with and scheduled through the Managing Agent. Only one move-in per day will be scheduled, and move-ins will be scheduled to begin no earlier than 9:00 a.m. and to conclude no later than 5:00 p.m. Additional details concerning move-ins are contained in Part I, Section J of the Plan under the sub-heading "Closings." The provisions of this subparagraph (g) shall survive the closing hereunder.

14. Conditions for Binding Agreement.

a. This Agreement shall not be binding until Purchaser has been approved as a purchaser as set forth in the Plan, such approval to be indicated by execution of this Agreement by Sponsor and delivery of a fully executed counterpart of this Agreement to Purchaser.

b. Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage on the Property made before or after this Agreement is signed and any payments or expenses already made or incurred or which may later be made or incurred, to their full extent without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the schedule of payments or accelerated by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments, if any. Sponsor shall satisfy all such mortgages or obtain a release of the Unit from the lien of such mortgages at or prior to the closing date.

15. Definitions.

The term "Purchaser" shall be read as "Purchasers" if more than one person is a purchaser, in which case Purchaser's obligations shall be considered joint and several. All capitalized terms used in this Agreement and not otherwise defined in this Agreement, shall have the same meanings as they do in the Plan.

16. Broker.

Purchaser represents that Purchaser did not rely upon, use or negotiate with any broker other than Sponsor in connection with this transaction. Purchaser agrees to indemnify Sponsor and hold Sponsor harmless from and against any costs, claims or expenses Sponsor may incur, including but not limited to attorneys' fees, arising out of or in any way connected with, Purchaser's breach of the foregoing representation. The provisions of this ¶ 16 shall survive the closing hereunder or any earlier termination of this Agreement.

17. Jury Waiver.

Purchaser waives Purchaser's right to trial by jury in any action, proceeding or counterclaim in any way connected with this Agreement or the Plan.

18. Survival of Sponsor's Obligations; Rights of Sponsor.

Sponsor will have no obligations under this Agreement or the Plan after Sponsor gives Purchaser the deed to the Unit, unless this Agreement or the Plan specifically gives Sponsor an obligation after that time. However, all representations required by Article 23-A of the General Business Law to survive delivery of the deed shall survive delivery of the deed.

19. Captions.

The captions in this Agreement are for convenience only and are not part of the meaning of this Agreement.

20. No Representations.

Purchaser has not relied on any statements made by Sponsor, or any other person, except those which are contained in this Agreement or in the Plan. Purchaser agrees that Sponsor will have no liability to Purchaser if there is a minor error or inaccuracy in the layout or dimensions of the Unit, or of the Common Elements of the Condominium as shown on the floor plans available for review at the office of the Sponsor or at the Condominium, so long as the layout and dimensions conform substantially to the floor plans which Purchaser has been given the opportunity to examine.

21. Entire Agreement; Binding Nature of Agreement.

Purchaser understands that this Agreement and the Plan constitute the entire agreement between the parties and contain the only representations made to Purchaser. Purchaser has not relied on any other representations, statements or warranties, and acknowledges that no one has authority to make any representation or warranty not set forth in the Plan. Purchaser had full opportunity to examine all documents and investigate all facts referred to in the Plan and will not bind Sponsor to any oral representations and/or agreements. Further, Purchaser understands that this Agreement is binding upon Purchaser and Purchaser's heirs, executors, administrators and/or assigns. In no event will this Agreement be amended to abrogate Sponsor's responsibilities or Purchaser's rights under Article 23-A of the General Business Law.

22. No Recording, Assignment or Advertisement; No Lis Pendens.

Purchaser agrees not to record this Agreement. Purchaser also agrees not to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease prior to closing hereunder, either acting individually or through a broker. Purchaser further agrees not to assign this agreement or Purchaser's rights hereunder, without Sponsor's prior written consent, which consent may be withheld for any reason or no reason. Any purported assignment in violation of the foregoing shall be void and of no force and effect, and shall be a default under this Agreement. In

the event of Sponsor's default hereunder Purchaser hereby waives Purchaser's right to file a lis pendens against the Unit. Violation by Purchaser of any of Purchaser's agreements in this Paragraph shall be a default under this Agreement.

23. Financing Contingency.*

a. This Purchase Agreement is contingent upon Purchaser obtaining a Satisfactory Loan Commitment (as defined in ¶ 23g below) from an Institutional Lender (the "**Permitted Lender**") within thirty (30) days after a fully executed counterpart of this Purchase Agreement is given to Purchaser by Sponsor (the "**30-Day Period**"), to finance the purchase of the Unit. Purchaser shall be obligated to submit a loan application to the Permitted Lender within five (5) days after receipt of a fully executed counterpart of this Agreement from Sponsor. If Purchaser fails to make such timely submission, Purchaser will be deemed to have waived the financing contingency granted by this Paragraph 23.

b. If Purchaser fails to obtain a Satisfactory Loan Commitment from the Permitted Lender (or if Purchaser's application is rejected) within the 30-Day Period, Purchaser will notify Sponsor in writing of such failure or rejection ("**Purchaser's Notice**"). Purchaser's Notice shall be given by certified mail return receipt requested no later than three (3) business days after expiration of the 30-Day Period. A copy of all correspondence in connection with Purchaser's efforts to obtain the Satisfactory Loan Commitment from the Permitted Lender and, if applicable, a copy of the notice of rejection from the Permitted Lender, must be submitted with Purchaser's Notice. In Purchaser's Notice Purchaser shall indicate Purchaser's request to (i) terminate this Purchase Agreement, (ii) extend the time to obtain a Satisfactory Loan Commitment, or (iii) waive this financing contingency provision and affirm the Purchase Agreement on an all-cash basis. If Purchaser fails to notify Sponsor in accordance with the foregoing, Purchaser will be deemed to have waived this financing contingency, this Purchase Agreement will remain in full force and effect as an all-cash transaction, and Purchaser will be bound hereto and will be expected to close hereunder. Failure to close may result in termination of this Purchase Agreement and forfeiture of the Down Payment as liquidated damages.

c. Upon Sponsor's receipt of Purchaser's Notice, Sponsor shall, at Sponsor's option, either extend the time period for Purchaser to obtain a Satisfactory Loan Commitment or terminate this Purchase Agreement, unless, however, Purchaser indicates in Purchaser's Notice that Purchaser desires to confirm this Agreement as an "all-cash" transaction (and thereby waive this financing contingency provision). If Sponsor terminates this Purchase Agreement in accordance with Purchaser's Notice, Sponsor shall send a notice of termination ("**Sponsor's Notice of Termination**"), and Purchaser shall receive back the Down Payment made under this Purchase Agreement plus interest earned thereon, if any, within twenty (20) business days of Sponsor's Notice of Termination. Notwithstanding the foregoing, Sponsor shall be the sole judge of whether Purchaser has satisfied its obligation to attempt to obtain a Satisfactory Loan Commitment from the Permitted Lender. If Purchaser has not satisfied its obligations in this regard, Sponsor shall not be obligated to consent to Purchaser's request to cancel this Purchase Agreement due to Purchaser's inability to obtain a Satisfactory Loan Commitment from the Permitted Lender, and Sponsor shall not be obligated to terminate this Purchase Agreement or return Purchaser's Down Payment hereunder.

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* Strike out Paragraph 23 if this Purchase Agreement is not contingent upon Purchaser obtaining a financing commitment.

d. Purchaser's failure to provide information pertinent to Purchaser's loan application to the Permitted Lender within three (3) days after request therefor, or to accept a commitment issued to Purchaser by the Permitted Lender on the terms set forth in this Paragraph 23, shall constitute a default by Purchaser under this Purchase Agreement, whereupon Sponsor shall have the right to cancel this Purchase Agreement and retain the Down Payment plus interest earned thereon, as liquidated damages.

e. Purchaser agrees to pay all fees and to furnish, deliver and/or execute all applications, affidavits, statements or other documents in connection with Purchaser's application for a Satisfactory Loan Commitment, furnish promptly all information required by the Permitted Lender and give truthful and accurate statements on all documents. If the application is approved and Purchaser receives a Satisfactory Loan Commitment, Purchaser will accept the commitment promptly and will execute all papers, statements or documents necessary to close the loan (and if this Purchase Agreement is executed by one party on behalf of more than one purchaser, the one party agrees that the other party(ies) will join in the application for and closing of the loan). Purchaser's failure to comply with any term of this paragraph shall be deemed a material breach of and a default under this Purchase Agreement. The documents given by Purchaser in connection with any loan applications are hereby made part of this Purchase Agreement.

f. If the Satisfactory Loan Commitment is scheduled to expire prior to the Unit Closing Date, it shall be Purchaser's obligation to take all action and make such payments as shall be necessary to extend or otherwise keep said Satisfactory Loan Commitment current. Sponsor shall have no obligation to cause the Unit Closing Date to occur prior to expiration of the Satisfactory Loan Commitment or to take any action or incur any expense to extend the Satisfactory Loan Commitment. Sponsor shall have no liability if the Satisfactory Loan Commitment expires due to Purchaser's actions or inactions or otherwise, and Purchaser shall be obligated to close hereunder even if a Satisfactory Loan Commitment expires.

g. A **"Satisfactory Loan Commitment"** shall be a commitment by the Permitted Lender to make a purchase money mortgage loan to be secured by the Unit in an amount equal to 80% of the Purchase Price for the Unit, or such lesser sum as Purchaser shall be willing to accept, at the prevailing rate of interest, and on such other terms and conditions as are usual and customary for the Permitted Lender in issuing such commitments, regardless of conditions imposed by the Permitted Lender, other than receipt of an appraisal satisfactory to the Permitted Lender.

24. Upgrade/Extras Packages. Purchaser acknowledges receipt of information from Sponsor concerning the optional kitchen counter upgrade package and optional decking installation package and has either elected or waived same on the Upgrade/Extras Rider attached hereto.

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25. Conflicts with the Plan.

Conflicts between any provisions of this Agreement and the Plan shall be resolved in favor of the Plan.

SEE LEAD WARNING STATEMENT REQUIRED BY FEDERAL LAW ATTACHED TO THIS AGREEMENT AS EXHIBIT A.

Dated: _____, 2005

_____
Purchaser

_____
Purchaser

ACCEPTED:

HARLEM INFIL LLC

By: Harlem Infil Corp., Member

By: _____
Name: Phillip Morrow
Title: President

Date:_____, 2005

	Initials
PURCHASER ACKNOWLEDGES RECEIPT OF THE OFFERING PLAN AND AMENDMENTS AT _____ (A.M.)(P.M.) ON _____,2005 AND	_____ Purchaser
	_____ Purchaser
SPONSOR AND PURCHASER ACKNOWLEDGE PURCHASER'S DELIVERY OF PURCHASE AGREEMENT AND CHECK FOR DOWN PAYMENT AT _____ (A.M.)(P.M.) ON _____, 2005	_____ Purchaser
	_____ Purchaser
	_____ Sponsor

UPGRADE/EXTRAS RIDER TO PURCHASE AGREEMENT FOR UNIT_____ AT THE 374 MANHATTAN CONDOMINIUM DATED:_____, 2005

OPTIONAL KITCHEN COUNTER UPGRADE PACKAGE (CHECK ONE):

☐ Purchaser elects the Kitchen Counter Upgrade Package pursuant to which Sponsor will install granite countertops in the kitchen, of the type included as samples in the Sales Office, in lieu of the Formica countertops specified in the Plan. Simultaneously with the execution of this Agreement, Purchaser has paid $5,000 to Sponsor as the cost of the Kitchen Counter Upgrade Package (the "**Countertop Payment**"), which Countertop Payment is not refundable once the cost of same is incurred by Sponsor, and is not part of the Purchase Price for the Unit, as more fully described in the Purchase Agreement to which this Rider is attached.

☐ Purchaser waives Purchaser's right to elect the Kitchen Counter Upgrade Package.

OPTIONAL TERRACE DECKING PACKAGE (CHECK ONE & COST, IF APPLICABLE):

☐ Purchaser hereby elects to have Sponsor install Hanover concrete pavers (2' x 2' x 2") on pedestal, on the terrace(s) appurtenant to the Unit, which installation will be completed by Sponsor prior to closing under the Purchase Agreement. Simultaneously with the execution of this Agreement, Purchaser has paid the sum of

☐ $ 6,250 (PHA)
☐ $12,470 (PHB)

to Sponsor, as the cost of the Terrace Decking Extras Package (the "**Decking Payment**"), which Decking Payment is not refundable once the cost of same is incurred by Sponsor, and is not part of the Purchase Price for the Unit, as more fully described in the Purchase Agreement to which this Rider is attached.

☐ Purchaser confirms that the Unit contains no terrace and the Terrace Decking Extras Package is not applicable to the Unit.

☐ Purchaser confirms that the Unit contains a terrace but that Purchaser waives Purchaser's right to elect the Terrace Decking Extras Package.

_____
Print Purchaser's Name:_____

_____
Print Purchaser's Name: _____

ACCEPTED:

HARLEM INFIL LLC
By: Harlem Infil Corp., Member

By: _____
Name: Phillip Morrow
Title: President

EXHIBIT A
Lead Warning Statement: Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Every Purchaser of any interest in residential property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(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 housing.

(ii) X Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below):

(i)____Seller has provided the purchaser with all available records and reports in Seller's possession pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents).

(ii) X Seller has no reports or records in Seller's possession pertaining to lead-based paint and/or lead-based paint hazards in the housing, and Seller has no knowledge of any such reports or records.

Purchaser's Acknowledgment (initial)

(c) _____ Purchaser has received copies of all information listed above, if any.

(d)_____ Purchaser 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 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 and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

(f) _____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller:
Harlem Infil LLC
By: Harlem Infil Corp., Member

By:_____
Phillip Morrow, President

_____
Date

_____
Agent

Date:

Purchaser:

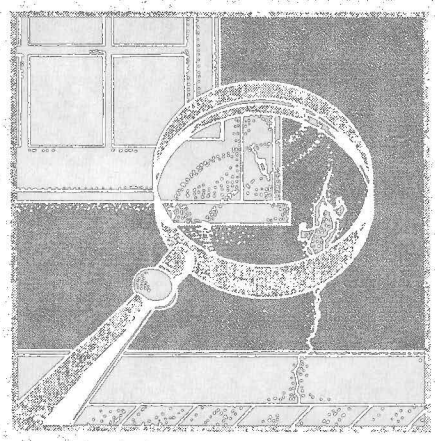
_____
Purchaser

_____
Date

_____
Purchaser

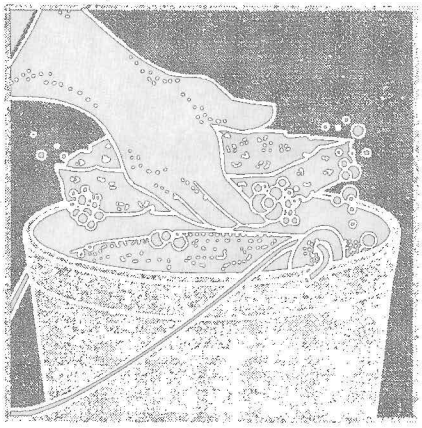
_____

Date:



Protect Your Family From Lead In Your Home





EPA United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

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, high temperature heat gun, scraper, or sandpaper on painted surfaces that may contain lead.
- Don't try to remove lead-based paint yourself.

Recycled/Recyclable
Printed with vegetable oil based inks on recycled paper (minimum 50% postconsumer) process chlorine free.

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.



OWNERS, BUYERS, and RENTERS are encouraged to check for lead (see page 6) before renting, buying or renovating pre-1978 housing.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:



LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure about lead-based paint.



SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure about lead-based paint. Buyers have up to 10 days to check for lead.



RENOVATORS disturbing more than 2 square feet of painted surfaces have to give you this pamphlet before starting work.

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 who 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 containing lead.

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

Childhood lead poisoning remains a major environmental health problem in the U.S.

Even children who appear healthy can have dangerous levels of lead in their bodies.

People can get lead in their body if they:

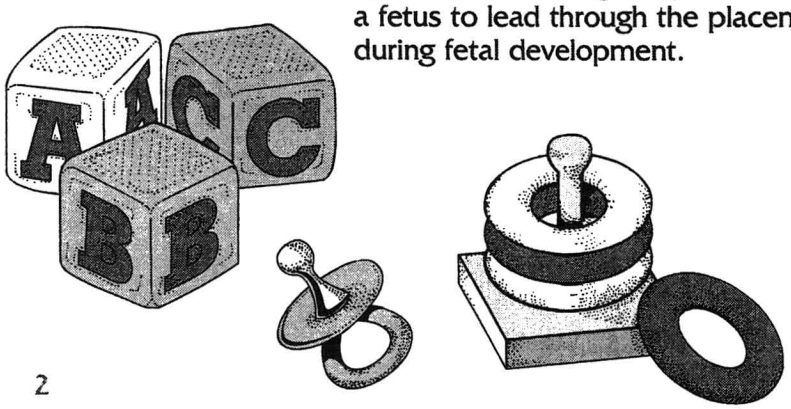
- Breathe in lead dust (especially during renovations that disturb painted surfaces).
- Put their hands or other objects covered with lead dust in their mouths.
- Eat paint chips or soil that contains lead.

Lead is even more dangerous to children under the age of 6:

- At this age children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.

Lead is also dangerous to women of childbearing age:

- Women with a high lead level in their system prior to pregnancy would expose a fetus to lead through the placenta during fetal development.



Lead's Effects

It is important to know that even exposure to low levels of lead can severely harm children.

In children, lead can cause:

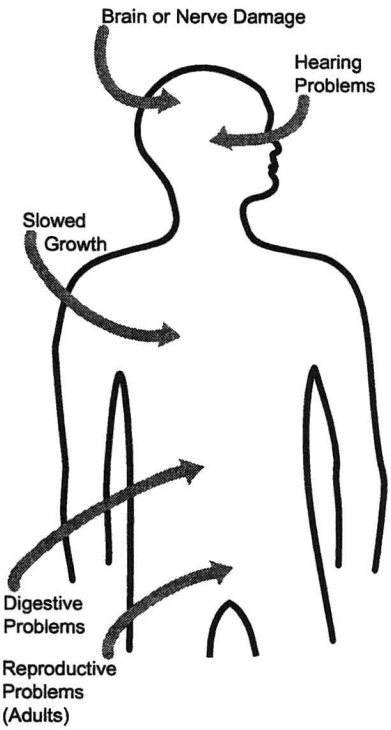
- Nervous system and kidney damage.
- Learning disabilities, attention deficit disorder, and decreased intelligence.
- Speech, language, and behavior problems.
- Poor muscle coordination.
- Decreased muscle and bone growth.
- Hearing damage.

While low-lead exposure is most common, exposure to high levels of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults too.

In adults, lead can cause:

- Increased chance of illness during pregnancy.
- Harm to a fetus, including brain damage or death.
- Fertility problems (in 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.

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.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- Children at ages 1 and 2.
- Children or other family members who have been exposed to high levels of lead.
- Children who should be tested under your state or local health screening plan.

Your doctor can explain what the test results mean and if more testing will be needed.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- Windows and window sills.
- Doors and door frames.
- Stairs, railings, banisters, and porches.

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 scraped, 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 re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- 40 micrograms per square foot ($\mu g/ft^2$) and higher for floors, including carpeted floors.
- 250 $\mu g/ft^2$ and higher for interior window sills.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. The following two federal standards have been set for lead hazards in residential soil:

- 400 parts per million (ppm) and higher in play areas of bare soil.
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard.

The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home tested for lead in several different ways:

- A paint **inspection** tells you whether your home has lead-based paint and where it is located. It won't tell you whether or not your home currently has lead hazards.
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards.
- A combination risk assessment and inspection tells you if your home has any lead hazards and if your home has any lead-based paint, and where the lead-based paint is located.



Hire a trained and certified testing professional who will use a range of reliable methods when testing your home.

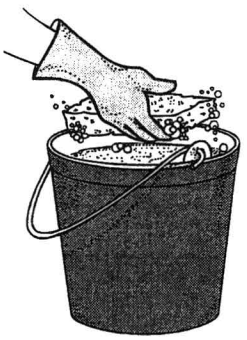
- Visual inspection of paint condition and location.
- A portable x-ray fluorescence (XRF) machine.
- Lab tests of paint, dust, and soil samples.

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency (see bottom of page 11) for more information, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these kits 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.**

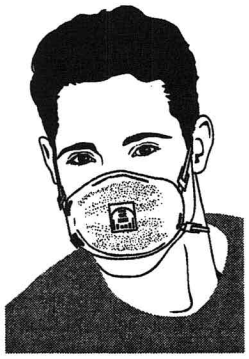


- **Make sure children eat nutritious, low-fat meals high in iron and calcium,** such as spinach and dairy products. Children with good diets absorb less lead.

Reducing Lead Hazards In The Home

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 should hire a certified 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 permanent removal.

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. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:

- 40 micrograms per square foot ($\mu g/ft^2$) for floors, including carpeted floors;
- 250 $\mu g/ft^2$ for interior windows sills; and
- 400 $\mu g/ft^2$ for window troughs.

Call your state or local agency (see bottom of page 11) for help in locating certified professionals in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

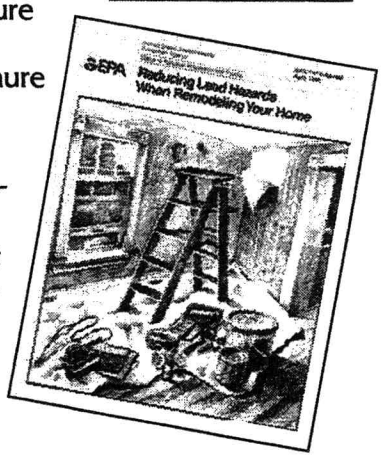
Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):



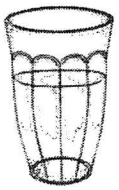
- **Have the area tested for lead-based paint.**
- **Do not use a belt-sander, propane torch, high temperature heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **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.

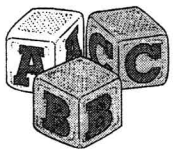
If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.

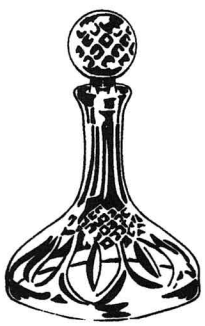


Other Sources of Lead



While paint, dust, and soil are the most common sources of lead, 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 work clothes separately from the rest of your family's clothes.
- 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

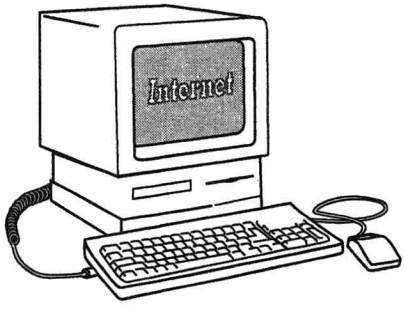


The National Lead Information Center

Call **1-800-424-LEAD (424-5323)** to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit **www.epa.gov/lead** and **www.hud.gov/offices/lead/.**

EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.



Consumer Product Safety Commission (CPSC) 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**, or visit CPSC's Web site at: **www.cpsc.gov.**

Health and Environmental Agencies

Some cities, states, and tribes have their own rules for lead-based paint activities. Check with your local agency to see which laws apply to you. Most 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. Receive up-to-date address and phone information for your local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD.**

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** to access any of the phone numbers in this brochure.

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)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT)
One Congress Street
Boston, MA 02114-2023
1 (888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, Washington DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RALI)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4164

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center
Consumer Product Safety Commission
201 Varick Street, Room 903
New York, NY 10014
(212) 620-4120

Western Regional Center
Consumer Product Safety Commission
1301 Clay Street, Suite 610-N
Oakland, CA 94612
(510) 637-4050

Central Regional Center
Consumer Product Safety Commission
230 South Dearborn Street, Room 2944
Chicago, IL 60604
(312) 353-8260

HUD Lead Office

Please contact HUD's Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development
Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, P-3206
Washington, DC 20410
(202) 755-1785

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U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

EPA747-K-99-001
June 2003

3. FORM OF INSPECTION STATEMENT

374 MANHATTAN CONDOMINIUM
316 WEST 116TH STREET
NEW YORK, NEW YORK 10026

Date: _____

Harlem Infil LLC
The Community Preservation Corporation
28 East 28th Street
New York, New York 10016

Re: 374 Manhattan Condominium
316 West 116th Street
New York, NY (the "**Property**")
Residential Unit No:_____ (the "**Unit**")

Dear Sponsor:

This Inspection Statement shall confirm the following understandings between you ("**Sponsor**") and the undersigned ([collectively,] the "**Purchaser**") pursuant to the Offering Plan for the Property and Purchase Agreement for the Unit.

Purchaser has the right to inspect the Unit, together with Sponsor's authorized representative, prior to the earlier of Purchaser's possession or closing of the Unit. If during the inspection, Sponsor agrees to perform any items of work in the Unit, the work must be itemized on the Inspection Checklist (the "**Inspection Checklist**"), a form of which is attached hereto, and each item must be initialed by Sponsor or Sponsor' representative. In addition, the Inspection Checklist must be signed by Sponsor or Sponsor's representative and Purchaser, at the time of the initial inspection, to be binding on Sponsor.

Sponsor agrees to complete initialed items on the Inspection Checklist signed by Sponsor and Purchaser (collectively, "**Punchlist Items**"), either prior to closing or within a reasonable period of time following closing of the Unit, weather permitting, and subject to delays for work or materials beyond Sponsor's control (i.e., force majeure delays, etc.), and subject to the further provisions of this Inspection Statement.

If Sponsor is unable to complete one or more Punchlist Items prior to closing, then within a reasonable period of time following closing, Sponsor (or Sponsor's agents or contractors) will contact Purchaser to arrange a mutually convenient time to complete such Punchlist Items, if any, remaining on the Inspection Checklist.

Purchaser understands that Sponsor's obligation to repair or correct Punchlist Items post-closing is conditioned upon Sponsor's ability to gain access to the Unit. Purchaser agrees that if Purchaser fails to provide access to the Unit within ten (10) days after Sponsor or its agent or contractor has notified Purchaser of Sponsor's intention to complete one or more Punchlist Items in the Unit, then Purchaser shall be deemed to have waived Purchaser's right to completion of the Punchlist Item(s) and Sponsor shall have no further obligation to complete that/those Punchlist Item(s).

With respect to Punchlist Items to be completed post-closing, Purchaser agrees to be present in the Unit or to have an authorized representative present in the Unit at the time the work is being performed. Purchaser further agrees that Purchaser will promptly initial each Punchlist Item as it is completed, whether it is completed before or after closing, to acknowledge completion. Purchaser's failure to respond to Sponsor within five (5) business days of request for acknowledgment of a completed Punchlist Item, shall be deemed to mean that Purchaser accepts and acknowledges the Punchlist Item(s) as complete.

Purchaser understands that the Punchlist Items shall be completed in accordance with the standards for such work set forth in the Offering Plan. In the event of a dispute, Purchaser agrees that Sponsor's contractor, architect or engineer shall determine whether or not such work was completed according to such standards, and such contractor's, architect's or engineer's decision, as applicable, shall be binding on the parties hereto.

Sponsor's representation that Sponsor will use reasonable efforts to complete Punchlist Items within a reasonable period of time following closing shall survive closing of title to the Unit, provided this letter agreement and the Inspection Checklist are executed by Purchaser and Sponsor or its representative at the time of inspection.

_____
PURCHASER'S SIGNATURE
[If Purchaser comprises more than one party and only one party signs this agreement, such signature shall be binding on all parties comprising Purchaser.]

_____
PURCHASER'S SIGNATURE

_____
PURCHASER'S SIGNATURE

HARLEM INFIL, LLC
By: Harlem Infil Corp.

By:_____
Name:
Title:

374 MANHATTAN CONDOMINIUM
316 WEST 116TH STREET, NEW YORK, NY
INSPECTION CHECKLIST
and
PUNCHLIST

UNIT NO:_____ PURCHASER:_____

TELEPHONE NO. (Home)_____

DATE:_____ TELEPHONE NO. (Work)_____

As a result of Purchaser's pre-closing inspection, please be advised that except as set forth in the column below called "Exceptions, if any," Purchaser found the entire Unit, including without limitation the items listed in the "Items" column, in good condition and in working order.

Items	OK (Purchaser's Initials)	Exceptions (if any)	Sponsor's Initials
Windows			
Electric Fixtures			
Sink, Basin, Tub Bowl			
Shower			
Plumbing Fixtures			
Kitchen Cabinets			
Vanity, Medicine Cabinet, Mirror			
Doors & Hardware			
Appliances			

Purchaser understands that to prevent pilferage, some items, such as toilet seats, shower heads, faucet aerators and doorknobs, may be installed just prior to Purchaser's date of occupancy. Items listed in the "Exceptions, if any" column and initialed by Sponsor or its representative, will be completed in accordance with the Inspection Statement to which this list is attached.

The undersigned Purchaser(s) has (have) inspected the Unit on the date specified below, and finds the Unit satisfactory except for the items noted above, which items shall be considered "Punchlist Items" as described in the Inspection Statement to which this list is attached.

_____
Inspection Date and Time

_____ _____
Purchaser Sponsor's Representative

_____
Purchaser

4. FORM OF POWER OF ATTORNEY

374 MANHATTAN CONDOMINIUM
316 WEST 116TH STREET
NEW YORK, NEW YORK 10026

UNIT NO.: _____

BLOCK: _____

LOT: _____

COUNTY: NEW YORK

RETURN BY MAIL TO:
BOARD OF MANAGERS
374 MANHATTAN CONDOMINIUM

c/o SOBRO Local Development Corporation
555 Bergen Avenue
Bronx, New York 10455
Attn: _____

POWER OF ATTORNEY

The undersigned, _____, is/are the Owner(s) of Residential Unit No. _____ (the "**Unit**") in the building known as 374 Manhattan Condominium, located at 316 West 116th Street, in the Borough of Manhattan, City, County and State of New York (the "**Condominium**"), as designated and described in the Declaration establishing the Condominium dated _____ ___, 200__ and recorded in the office of the New York City Register, County of New York, on _____,___ 200__ as CRFN _____as same may be amended from time to time (the "**Declaration**"), and as also described on the floor plans filed in the Real Property Assessment Department in the City of New York, New York County, as Condominium Plan No.____ as same may be amended from time to time.

Capitalized terms used in this power of attorney, if not defined herein, shall have the definition given in the Declaration.

The undersigned hereby nominates, constitutes and appoints the Board of Managers of the Condominium and successors of same, jointly, and with respect to clauses (iv)(b) and (c) below, the undersigned also appoints Sponsor severally, for such time as Sponsor owns at least one Residential Unit, as true and lawful attorneys-in-fact for the undersigned, with a power coupled with an interest, with power of substitution, subject to any prohibitions or limitations on the exercise of such power or the acts for which it is given as are set forth in the Declaration or the By-laws of the Condominium:

(i) to acquire, in the name of the Board of Managers, or in the name of their designee, corporate or otherwise, by deed, on behalf of all Unit Owners (a) any Unit whose Owner desires to sell, transfer or otherwise convey same, the Common Interest appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, or the proceeds of sale or lease thereof, if any, and the interest of such Unit Owner in all other assets of the Condominium (hereinafter collectively called the "**Appurtenant Interests**") or (b) any Unit and its Appurtenant Interests which shall be the subject of a foreclosure or other judicial sale or whose Owner desires to surrender or abandon same, at such price and upon such other terms and conditions as said applicable attorneys-in-fact shall in their sole discretion deem proper;

(ii) to lease any Unit whose Owner desires to rent the same, at such rental, and on such other terms and conditions as said applicable attorneys-in-fact shall in their sole discretion deem proper;

(iii) to convey, sell, lease, sublease, mortgage, vote, or otherwise deal with any such Unit so acquired by them, on such terms and conditions as said attorneys-in-fact in their sole discretion determine, granting to said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present; and

(iv) to execute, acknowledge and deliver (a) any instrument affecting the Unit in connection with any petition seeking administrative and judicial review of an assessment made in accordance with Real Property Law § 339-y(1), which the undersigned, by separate written agreement, may have authorized the Board of Managers to undertake, pursuant to Real Property Law § 339-y(4), or (b) any declaration or other instrument affecting the Condominium which the Board of Managers or Sponsor, as applicable, deems reasonably 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 or any other agreement of record, applicable to the operation, maintenance, demolition, construction, alteration, repair or restoration of the Condominium (and/or with respect to Sponsor, applicable to consummation of its obligations

under the Offering Plan), or (c) any consent, covenant, restriction, easement or declaration, or any amendment thereto affecting the Condominium which the Board of Managers or Sponsor deems necessary or appropriate and with respect to Sponsor, is consistent with Sponsor's obligations and rights under or in connection with the Offering Plan.

Notwithstanding the foregoing, Sponsor shall have the power pursuant to this power of attorney, so long as Sponsor shall own at least one Unit at the Condominium, and without limitation as to time, to execute, acknowledge and deliver any of the items referred to in clauses (b) and (c) of subparagraph (iv) of this power of attorney.

Notwithstanding any other provisions of this power of attorney, Board of Managers under this power of attorney may not act so as to adversely affect the rights or interests of Sponsor without the prior written consent of the affected party. Likewise, neither Sponsor nor the Board of Managers may act under this power of attorney so as to adversely affect the rights or interests of Sponsor or a Residential Unit Owner, without the prior consent of such adversely affected party. This power of attorney shall be exercised in accordance with the By-Laws of the Condominium.

The act of a majority of such persons shall constitute the act of said attorneys-in-fact.

This power of attorney is irrevocable and shall not be affected by the subsequent disability or incompetence of the undersigned.

IN WITNESS WHEREOF, the undersigned has/have executed this power of attorney this __ day of _____, 200_.

_____

_____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Signature and office of individual
taking acknowledgment.

5. FORM OF UNIT DEED

HARLEM INFIL LLC

TO

RESIDENTIAL UNIT NO. __
374 MANHATTAN CONDOMINIUM
316 WEST 116TH STREET
NEW YORK, NEW YORK 10026

Section: ____
Block: ____
Lot: ____
County: New York

RETURN BY MAIL TO:

_____
_____
_____
_____

THIS INDENTURE, made the ___ day of ____, 200_ between **HARLEM INFIL LLC**, having an office c/o The Community Preservation Corporation, 28 East 28th Street, New York, New York 10016 ("**Grantor**") and _____ residing at _____, _____, _____ ("**Grantee**").

W I T N E S S E T H:

That the Grantor, in consideration of Ten ($10) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release onto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Unit known as Residential Unit No. ___ (the "**Unit**") in the Building known as 374 Manhattan Condominium, 316 West 116th Street, in the Borough of Manhattan, City, County and State of New York (the "**Building**"), designated in the Declaration establishing a plan for condominium ownership of the Building and the land upon which the Building is situated (said Building and land referred to herein as the "**Property**" or the "**Condominium**") dated _____, 200_ made by Grantor as Declarant pursuant to Article 9-B of the Real Property Law of the State of New York (the "**Condominium Act**"), and recorded in the Office of the Register of the City of New York in the County and State of New York (the "**City Register's Office**") on _____, as CRFN #_____ (the "**Declaration**"), as more fully described on **Schedule A** annexed hereto.

The Unit is also designated as Tax Lot _____ in Block _____ of Section __ of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building, certified by _____ on _____ and filed simultaneously with the Declaration in the Real Property Assessment Department of the City of New York as Condominium Plan No. ____ and CRFN #_____.

TOGETHER with an undivided _____ interest in the Common Elements (as such term is defined in the Declaration) appurtenant to the Unit (hereinafter called the "**Common Elements**");

TOGETHER with the benefits, rights, privileges, easement and subject to the burdens, covenants, restrictions and easements all as set forth in the Declaration and By-Laws.

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with an easement for support and for the continuance of all encroachments by the Unit on any other Units and the Common Elements, now or hereafter existing as a result of construction of the Building, or the settling or shifting of the Building, or the repair or restoration of the Building (or any portion thereof) or of the Unit after damage or destruction by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common Elements made by or with the consent of the Board of Managers of the Condominium (hereinafter called the "**Condominium Board**") in accordance with the Declaration and By-Laws appended thereto, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the Owners of other Units to use install, operate, maintain, alter, repair, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits, flues,

public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property and serving the Unit;

TOGETHER with and SUBJECT to a right of way through the Common Elements to the public streets;

TOGETHER with and SUBJECT to the easements created by the Declaration, which are incorporated herein by reference as though fully set forth herein;

TOGETHER with and SUBJECT to all easements of necessity in favor of the Unit or in favor of the other Units or the Common Elements;

TOGETHER with the right, if any, to the use of the Limited Common Elements as set forth in the Declaration; and

SUBJECT to the rights of other Unit Owners to use the Limited Common Elements appurtenant to their Units, if any, as set forth in the Declaration;

SUBJECT to an easement in common with all other Unit Owners to use, install, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements, and any pipes, wires, ducts, vents, cables, conduits, or other lines, equipment or facilities forming a part of or related to such Common Elements, located in, over, through, under or upon the Unit, other Units, the Common Elements, or other parts of the Property, 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 thereof for dwelling, home occupation, or other applicable lawful purposes;

SUBJECT to the rights, obligations, easements, restrictions and all other terms, covenants, conditions and provisions of the Declaration and By-laws and Tax Lot Drawings filed therewith, as the same may be amended from time to time by instruments recorded or filed in the Office of the Register of the City of New York, in the County and State of New York, all of which, together with any amendments thereto, 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 any declaration or instrument affecting the Property which Grantor has filed to comply with any law, ordinance, regulation, zoning resolution or requirement of any public agency or authority, applicable to construction, alteration, repair or restoration of the Building;

SUBJECT also to easements in favor of other Units and in favor of the Common Elements or Limited Common Elements for the continuance of all encroachments of such other Units or Common Elements or Limited Common Elements on the Unit, now or hereafter existing as a result of construction of the Building, or the setting or shifting of the Building, or the repair or restoration of the Building (or any portion thereof) or of any other Unit or the Common Elements or Limited Common Elements, after damage or destruction by fire or casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements or Limited Common Elements made by or with the consent of the Condominium Board or by the Grantor, or its designee and its respective successors, and assigns, or any Unit Owner in accordance with the Declaration and the By-laws so that any such encroachments may remain so long as the Building shall stand;

SUBJECT also to an easement in favor of other Units to use, install, operate, maintain, repair, alter, rebuild, restore and replace such other Units and any pipes, wires, ducts, vents, cables, conduits, flues, or other lines, equipment or facilities forming a part of or related to such other Units located in, over, through, under or upon the Unit, other Units, the Common Elements or other parts of the Property, 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 thereof for dwelling, home occupation, storage or other applicable lawful purposes;

SUBJECT also to a right of access to the Common Elements, the Unit and other Units by the Grantor or its designee, and its respective successors and assigns, their contractors, subcontractors, agents and employees, for the purposes of completing construction of the Building in accordance with the plans and specifications therefor and to fulfill Grantor's obligations as set forth in the Offering Plan covering the Condominium;

SUBJECT also to existing easements and the right reserved in the Declaration to establish, grant and create additional utility easements, in favor of any utility company for construction, use, maintenance, repair and replacements of all utility lines, wires, terminal boxes, mains, pipes, cables, conduits and other equipment and facilities in, under, over and across the Property;

SUBJECT also to such other liens, agreements, covenants, easements, restrictions and other matters of record against the Property;

SUBJECT to any state of facts an accurate survey and inspection of the Unit and Property would show;

TO HAVE AND TO HOLD the same unto the Grantee, the heirs or successors and assigns of the Grantee, forever;

The use for which the Unit is intended is for residential dwelling purposes subject to such other uses as may be permitted by the Declaration, the By-laws and applicable law.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in anyway whatever, except as aforesaid.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the City Register's Office and to comply with the Rules and Regulations of the Condominium.

This conveyance is made in the ordinary course of business actually conducted by the Grantor herein.

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of this deed so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this deed the day and year first above written.

GRANTOR

HARLEM INFIL LLC

By: Harlem Infil Corp., Member

By: _____
Name:
Title:

GRANTEE

_____

_____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____ in the year _____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual, acted, executed the instrument.

_____
Signature and office of individual
taking acknowledgment.

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____ in the year _____ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Signature and office of individual
taking acknowledgment.

SCHEDULE A

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City of New York, County, City and State of New York, more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of West 116th Street and the easterly side of Manhattan Avenue;

RUNNING THENCE easterly along said southerly side of West 116th Street, 114 feet 0 inches to a point;

THENCE southerly and parallel with the easterly side of Manhattan Avenue, 100 feet 11 inches to a point;

THENCE westerly and parallel with the southerly side of West 116th Street, 27 feet 0 inches to a point;

THENCE northerly and again parallel with the easterly side of Manhattan Avenue, 36 feet 9 inches to a point;

THENCE westerly and again parallel with the southerly side of West 116th Street, 87 feet 0 inches to the easterly side of Manhattan Avenue;

THENCE northerly along said easterly side of Manhattan Avenue 64 feet 2 inches to the point or place of BEGINNING.

6. DECLARATION OF CONDOMINIUM

ESTABLISHING

374 MANHATTAN CONDOMINIUM
316 WEST 116th STREET
NEW YORK, NEW YORK 10026

DECLARANT:	**HARLEM INFIL LLC** c/o The Community Preservation Corporation 28 East 28th Street, 9th Floor New York, New York 10016
DATE:	_____, 2005

RECORDING INFORMATION:	Block:	1848
	Lots:	Formerly Known as Lots 62, 63 & 65 Now Known as Lots 1001-1014
	County:	New York
	State:	New York

RECORD AND RETURN TO:

BRYAN CAVE LLP
1290 Avenue of the Americas
New York, New York 10104
Attn: Erica Forman, Esq.

TABLE OF CONTENTS

		Page
ARTICLE 1	INTRODUCTORY PROVISIONS	1
ARTICLE 2	UNITS	4
ARTICLE 3	COMMON INTEREST	7
ARTICLE 4	COMMON ELEMENTS	7
ARTICLE 5	USE OF AND ACCESS TO COMMON ELEMENTS	10
ARTICLE 6	CONDOMINIUM GOVERNANCE; SERVICE OF PROCESS	13
ARTICLE 7	POWER OF ATTORNEY TO BOARD OF MANAGERS	14
ARTICLE 8	ACQUISITION AND SALE OR LEASE OF UNITS BY BOARD OF MANAGERS	15
ARTICLE 9	CONDOMINIUM DOCUMENTS RUN WITH THE LAND	15
ARTICLE 10	AMENDMENT AND TERMINATION	16
ARTICLE 11	GENERAL	18

Schedules

Schedule A - Legal Description

Schedule B - Unit Designations, Common Interest and Related Information

Schedule C - By-laws of Condominium

DECLARATION OF CONDOMINIUM

374 MANHATTAN CONDOMINIUM
316 WEST 116TH STREET
NEW YORK, NEW YORK 10026

ARTICLE 1
INTRODUCTORY PROVISIONS

Section 1.1 Creation of the Condominium. **Harlem Infil LLC** (hereinafter the "***Declarant***"), hereby submits the land described on ***Schedule A*** hereto (the "***Land***"), together with all improvements and all rights, privileges and appurtenances thereunto appertaining (the Land, together with all improvements now and hereafter constructed thereon, and all rights, privileges and appurtenances thereto appertaining, are hereinafter referred to collectively as the "***Property***"), to the provisions of Article 9-B of the NYS Real Property Law (the "***Condominium Act***").

Section 1.2 Name of Condominium. The name of the condominium project is "**374 Manhattan Condominium**" (hereinafter referred to as the "***Condominium***").

Section 1.3 Area and Location of Land. The Property is located at 316 West 116th Street, with frontage on both West 116th Street and Manhattan Avenue, in the City, County and State of New York.

Section 1.4 Description of Building. The Building is of masonry construction and is a single structure created from the renovation and combination of two buildings previously on the site. It contains two wings, one with frontage on West 116th Street and the other with frontage on Manhattan Avenue, connected by a newly constructed circulation core. Open space between the two wings at the intersection of West 116th Street and Manhattan Avenue, contains a small enclosed garden area. The main entrance to the Property is on West 116th Street. Each wing of the Building contains six (6) floors plus a cellar, a portion of which cellar is habitable and is part of a Residential Unit in that portion of the Building. The Building contains 14 Residential Units.

Section 1.5 Definitions. Unless otherwise defined in this Declaration or in the By-laws of the Condominium annexed hereto as Schedule C, all capitalized terms in the Condominium Documents shall have the meanings specified for said terms in the Condominium Act.

"***Arbitration***" shall have the meaning given in Article 11 of the By-laws.

"***Attorney General***" means the New York State Attorney General, who is the head of the New York State Department of Law.

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

"***Building***" means the Improvements now or hereafter erected on the Land and all alterations and replacements made to such Improvements.

"***By-laws***" means the By-laws of the Condominium, which By-laws are annexed to and part of this Declaration, as such By-laws may be amended from time to time.

"***City Register's Office***" means the New York County Office of the Register of The City of New York.

"***Common Charges***" means the annual assessments payable in monthly installments by Unit Owners for the purpose of meeting Common Expenses. Assessments, both special and otherwise, will be characterized and treated as Common Charges of the Unit Owner to whom assessed, all as more fully described in the By-laws.

"***Common Elements***" means those facilities and areas of the Property that are not part of a Unit and which are necessary or convenient to the existence, management, operation, maintenance and/or safety of the Property, or normally in common use, and which Common Elements shall be classified as General or Limited.

"***Common Expenses***" means all costs and expenses in connection with repair, maintenance, replacement, restoration, operation of, and alteration, addition or improvement to, the Common Elements, including but not limited to insurance and establishment of reserves for repairs and replacements.

"***Common Interest***" means the proportionate undivided percentage interest in fee simple absolute in the Common Elements allocated and appurtenant to a Unit, as set forth in this Declaration. The total of all Common Interest percentages appertaining to all Units equals 100%.

"***Condominium***" means the Property submitted to the Condominium Act.

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

"***Condominium Documents***" means this Declaration and the By-laws attached hereto, as same may be amended from time to time.

"***Declaration***" means this Declaration of Condominium as same may be amended from time to time.

"***Department of Law***" means the New York State Department of Law, which is headed by the New York State Attorney General.

"***First Unit Closing***" means the first closing of a sale of a Unit pursuant to the Offering Plan.

"***General Common Elements***" means those portions of the Property other than the Units and the Limited Common Elements.

"***HPD***" means the New York City Department of Housing Preservation and Development.

"***Improvements***" means the Manhattan Building, the 116th Street Building, and any and all other improvements now or hereafter erected on the Land and all alterations and replacements to such improvements.

"***Institutional Lender***" means any domestic or foreign commercial or savings bank, any insurance company or savings and loan association whose investments are regulated by the laws of any State or of the United States, any pension fund, trust company, governmental agency or fund, any educational, religious or charitable institution, or other non-individual entity, or a consortium of any of the foregoing, in the business, among other things, of making mortgage loans secured by real property.

"***Insurance Trustee***" shall have the meaning given in Section 10.6 of the By-laws.

"***Land***" means the land upon which the Improvements are located, as more fully described in this Declaration.

"***Land Disposition Agreement***" (or "***LDA***") means the agreement between the City of New York acting by and through its Department of Housing Preservation and Development and Harlem Infil Corp., Sponsor's predecessor in interest, dated June 24, 2003, subject to which the Property was acquired by Sponsor.

"***Limited Common Element***" means a Common Element that serves one or more specified Unit(s) and no other Units, and thus is restricted in use to the Owner(s) of that (those) Unit(s).

"***Managing Agent***" means any management company or agent engaged by the Board of Managers to manage the Condominium.

"***Manhattan Building***" means the portion of the Building with frontage on Manhattan Avenue.

"***Mortgagee***" means any Institutional Lender holding a mortgage of record encumbering a Unit. A Mortgagee shall be deemed to be a "Permitted Mortgagee" if it satisfies the criteria therefor contained in the By-laws.

"***Offering Plan***" (or "***Plan***") shall mean the Offering Plan for the Sale of Condominium Units at 374 Manhattan Condominium, 316 West 116th Street, New York, New York, filed by Sponsor with the Department of Law, as said Plan may be amended from time to time.

"***116th Street Building***" means the portion of the Building with frontage on West 116th Street.

"***Permitted Mortgagee***" means a Mortgagee who has satisfied the criteria for a Permitted Mortgagee set forth in Article 8 of the By-laws.

"***Property***" means the Land and the Improvements now or hereafter erected on the Land.

"***Residential Unit***" means each Unit designated as a Residential Unit on Schedule B to the Declaration, together with the Common Interest appurtenant to each such Unit.

"***Residential Unit Owner***" means an Owner of a Residential Unit.

"***Rules and Regulations***" means the rules and regulations adopted by the Board of Managers pertaining to the use of the Condominium, as same may be amended from time to time.

"***Sales Office***" means the office maintained by Sponsor and/or its Selling Agent at the Property for the sale and/or leasing of Units.

"***Special Assessment***" means an assessment in addition to Common Charges enacted by the Board of Managers and payable by all Unit Owners, or imposed by the Board of Managers against a particular Unit Owner in accordance with the Condominium Documents.

"***Sponsor***" means Harlem Infil LLC and its designated successors and assigns.

"***Sponsor Control Period***" means the period of time until Sponsor conveys title to all Units under the Plan, but in no event longer than the period ending on the earlier of (i) the fifth (5th) annual anniversary of the First Unit Closing, or (ii) the date as of which Units owned by Sponsor comprise less than 25% in Common Interest.

"***Spouse***" shall have the meaning given in Section 9.8 of the By-laws.

"***Tax Lot Drawings***" means the drawings of the Property certified by Urban Architectural Initiatives, delineating the Units and the Common Elements, approved by the Real Property Assessment Department of the City of New York and filed simultaneously with the recording of this Declaration, as more fully described in Article 2 of the Declaration.

"***Unit***" means any space in the Building intended for independent use or ownership and designated as a Unit in the Declaration, as same may be amended from time to time, together with such Unit's Common Interest.

"***Unit Owner***" or "***Owner***" means any owner of a Unit in fee simple absolute.

Section 1.6 Schedules. All Schedules referred to in this Declaration are incorporated into this Declaration as integral parts hereof.

ARTICLE 2
UNITS

Section 2.1 Schedule of Information. Annexed hereto and made a part hereof as ***Schedule B*** is a list of all Units in the Building, which list also contains Unit designations, location, Common Interest, approximate area and Common Elements and Limited Common Elements to which each Unit has access.

Section 2.2 Tax Lot Drawings. The approximate dimensions, classifications, area and location of each Unit in the Building, as well as the Common Elements of the Condominium, are shown on the Tax Lot Drawings.

Section 2.3 Unit Information.

(a) **Unit Area.** Each Unit comprises the space bounded and measured as follows: horizontally from the interior side of the Building walls or glass windows at the Building line enclosing the Unit, or from the mid-point of the interior party walls separating the Unit from another Unit, or from the mid-point of the interior party walls separating the Unit from public corridors or public stairs, or from the mid-point of interior party walls separating the Unit from an elevator or other mechanical equipment space or from any other Common Elements. The areas of columns and mechanical pipes and chases are not deducted from the square foot area of the Unit even though such elements are not part of the Unit.

(b) **Components of Units.**

(i) Locks on entrance doors to Residential Units from common corridors and locks and doors accessing Residential Units from an appurtenant terrace, patio or yard are part of the Unit.

(ii) Interior non-load-bearing walls and partitions, floor coverings on top of the sub-flooring or structural slab and plastered ceilings affixed, attached or appurtenant to a Unit are part of that Unit.

(iii) The boiler, heating, ventilating and air conditioning equipment, sprinkler heads (if any), and the intrusion alarm exclusively servicing a Unit, are part of the Unit, as are any pipes, ducts, wires, flues, conduits or similar facilities connecting such equipment to the Unit if they service the Unit exclusively, from the point at which they enter the Unit.

(iv) Lighting installed in or on terraces, patios or yards appurtenant to Units are part of the Unit.

(v) Decking or other protective flooring installed on roof terraces or on patios or in yards that are appurtenant to Units as shown on the Tax Lot Drawings, are part of the Unit to which the terrace, patio or yard is appurtenant. Accordingly, Owners of those Units will be responsible for maintaining, repairing and replacing such decking or flooring.

(vi) In general, any facility[1] or facility area located within a Unit and serving only that Unit, is part of that Unit and is not a Common Element, and any facility or facility

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[1] As used herein, the word "facility" or "facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for the purpose of illustrating the broad scope of that term: structural columns, system, equipment, apparatus, connector, radiator, heat exchanger, mechanism, device,

(...continued)

area located outside of a Unit and serving only that Unit, is part of that Unit and not a Common Element. Access, however, to facilities and facility areas that are part of a Unit and located outside of the Unit, is not absolute, and must be exercised by the affected Unit Owner in a manner that will not unreasonably interfere with the use and operation of the Unit or Common Element in which the facility or facility area is located, as more fully described elsewhere in this Declaration and in the By-laws.

(c) **Rights of Owners Respecting Units.** In light of the foregoing and notwithstanding anything in this Article 2 to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time without the prior consent of the Board of Managers, to install, at such Owner's sole cost and expense, in such Owner's Unit, improvements, decorations, fixtures and coverings (including, without limitation, painting, wall papering, carpeting, shelving and lighting fixtures), on the surfaces of walls, ceilings and floors that face the interior of the Unit, to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that any such installation shall not impair the structural integrity of the Unit or the Building or the proper functioning of Building systems.

(d) **Excluded from Units.** Except as otherwise provided in this Declaration, a Unit shall not be deemed to include foundations, columns, girders, beams, joists, supports, exterior walls, interior load bearing walls, pillars, structural floor slabs or ceilings, central installations and equipment for power, sprinklers, lights, air conditioning, heating, ventilation, and utility lines which are utilized for or serve more than one Unit.

Section 2.4 No Partition. No Unit (including the Common Interest appurtenant thereto), shall be subject to partition from the Condominium or otherwise by the Unit Owner. The foregoing shall not be deemed to prohibit division or combination of Units, provided such action is taken in accordance with procedures outlined in this Declaration and the By-laws.

(...continued)

machinery, induction unit, fan coil unit, motor, pump, control, tank or tank assembly, installation, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main, shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, incinerator, canopy, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket mail box, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture or planting tub or box. A "facility area" is the area or room in which the facility is located.

ARTICLE 3
COMMON INTEREST

Section 3.1 General. The aggregate Common Interest of all Units shall equal 100%. This provision of the Declaration may not be amended.

Section 3.2 Determination of Common Interest. The Common Interest of each Unit has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, and is based on the floor space of the Unit subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use (e.g., if a Unit has an appurtenant terrace, patio or yard), and the overall dimensions of a particular Unit. The aggregate Common Interest of all Units equals 100%.

Section 3.3 No Separation of Common Interest. The Common Interest may not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even through such interest is not expressly mentioned or described in the conveyance, encumbrance or other instrument.

ARTICLE 4
COMMON ELEMENTS

Section 4.1 Definition of General Common Elements. The General Common Elements consist of all the Common Elements except the Limited Common Elements, and include, without limitation, the following:

(a) The Land, including sidewalks thereon or appurtenant thereto, together with all easements, rights and privileges appurtenant thereto;

(b) Exterior trash storage area at street level of the Building;

(c) The gas meter rooms, water meter and pump rooms, electric meter and telephone rooms, elevator machine room, and general building maintenance and storage rooms at the cellar level of the Building;

(d) The common garden, planting beds and seating area in the outdoor front areas of the Building;

(e) The entrance, vestibule and lobby in the 116th Street Building;

(f) The circulation core connecting the 116th Street Building and Manhattan Avenue Building and all storage facilities for residents, trash facilities and other elements therein;

(g) All foundations, piles and footings;

(h) Structural columns and pillars;

(i) Girders, beams, joists and supports;

(j) Structural floor slabs and ceilings and all load-bearing partitions and walls;

(k) The main roof of the Building, and all waterproof membranes, skylights, parapets, fencings and railings on such roof, except those that are Limited Common Elements appurtenant to Units with roof terraces, as described below;

(l) The structural concrete roof slab or other roof construction material, the asphalt or other roofing material thereover as well as the waterproofing or other membrane, flashing and similar elements protecting the interior of the Building and located under pavers, decking, concrete or other protective flooring of a terrace, patio or yard appurtenant to a Unit, as well as all drainage systems for same;

(m) All exterior street level landscaping and all exterior lighting installed in or on the Property (excluding landscaping installed in yards or on terraces or patios appurtenant to Units, and excluding lighting installed to illuminate terraces, patios or yards appurtenant to Units);

(n) All public stairways and associated stairwells and landings;

(o) All elevators, and the shafts, pits, mechanical rooms and bulkheads associated herewith;

(p) The exterior walls of the Building, including windows (as well as panes, casements and frames), fire escapes and all facade and structural elements of exterior walls;

(q) Doors accessing Residential Units from common corridors;

(r) Sanitary sewer pumping system from the point at which the sanitary sewer line leading from a Unit connects with the Building's main sewer line, to the point at which the Building's main sewer line connects with the municipal sewer system;

(s) Roof drainage and storm drainage system within the Building to the point at which it connects to the municipal storm sewer system;

(t) All passages and corridors, areas, rooms and other spaces, located at the Property and serving or benefitting more than one Unit and/or Unit Owner; and

(u) All other facilities of the Property (including but not limited to shafts, pipes, wires, ducts, vents, cables, chases, conduits and lines), which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of more than one Unit and and/or Unit Owner.

Section 4.2 Limited Common Elements.

(a) Limited Common Elements are Common Elements of the Building that serve only a specified Unit or Units and thus are restricted in use to the Owner (or Owners, as applicable) of that Unit (or Units, as applicable), and/or to such other occupant(s) of the Unit(s) as the Owner(s) shall permit, subject to the right of the Board of Managers to enter upon such Limited Common Elements to make structural repairs or structural replacements thereto, and subject to the Rules and Regulations.

(b) The Limited Common Elements include, without limitation, the following:

(i) The structural elements of any exterior yard, patio or terrace appurtenant to a Residential Unit as shown on the Tax Lot Drawings and any fencing, railings, parapets or freestanding walls surrounding same, are Limited Common Elements appurtenant to the Residential Unit adjacent thereto. Any pavers, decking, cement or other flooring installed in the yard, or on the patio or terrace, any hose bib, and all electrical outlets, as well as lighting and light fixtures installed for purposes of illuminating the yard, patio or terrace are part of the Unit itself.

(ii) A divider or other enclosure separating one terrace or yard from the yard or terrace appurtenant to another Unit, is a Limited Common Element appurtenant to both Units to which the yards or terraces are appurtenant, and the Owners of those Units will be jointly and severally obligated to maintain and repair said divider or enclosure, with the costs to be shared equally between them unless the necessity for such maintenance or repair was the result of the negligence or action or inaction of one Owner or such Owner's tenant, guest or invitee, in which case the cost shall be borne by said Owner exclusively.

(iii) The stoop leading to the private Manhattan Avenue entrance as well as the entrance and vestibule area for duplex Units 1A and 1B in the Manhattan Avenue Building, are Limited Common Elements appurtenant to those two Units. Accordingly, the responsibility for maintenance, repair and cleaning of these areas shall belong to and be the joint and several obligation of the Owners of said Units, and the cost shall be shared equally between them unless the necessity for such repair or maintenance was the result of the negligence of or action or inaction of one Owner, or said Owner's tenant, guest or invitee, in which case the cost shall be the obligation of that Owner exclusively.

(c) In no event shall Limited Common Elements ever include or be deemed to include, (i) load bearing walls, (ii) other components of the Building critical to the structural integrity of the Building, or (iii) any portion of the roofs of the Building (except those portions specifically designated as terraces), all of which are General Common Elements. The structural concrete roof slab or other roof construction material, the asphalt or other roofing material thereover as well as the membrane, flashing and similar roofing elements protecting the interior of the Building and located under the pavers, decking, cement or other protective flooring of a terrace, patio or yard appurtenant to a Unit, as well as the drainage system therefor, comprise General Common Elements of the Condominium.

(d) Each Unit Owner having the exclusive right to use a Limited Common Element shall have the obligation, at the Unit Owner's sole expense, for day-to-day maintenance, including, without limitation, cleaning of debris from drains therein (notwithstanding that drains

may be characterized as a General Common Element), sweeping and vacuuming, and general cleaning, maintenance and repair of said Limited Common Element, in accordance with the applicable provisions of this Declaration and the By-laws, and applicable law.

Section 4.3 No Severability or Partition. The Common Elements are not subject to partition nor are they severable from Units, except in accordance with the Condominium Act.

ARTICLE 5
USE OF AND ACCESS TO COMMON ELEMENTS

Section 5.1 General Use of and Access to Common Elements.

(a) The Common Elements shall be used for the benefit of applicable Unit Owners (depending on the type of Common Element involved), the furnishing of services and facilities for which the same are reasonably intended, and for the enjoyment to be derived from such proper and reasonable use. Each Unit Owner may use the Common Elements in accordance with the purposes for which they were intended and the limitations in use described in this Declaration, without hindering the exercise of or encroaching upon the rights of other Unit Owners, their tenants, licensees, invitees, clients or guests. A Unit Owner may not obstruct the Common Elements. The provisions of this Section 5.1 shall not prevent the Board of Managers or this Declaration from granting to a particular Unit Owner substantially exclusive rights or advantages in a part or parts of the Common Elements by reason of that Owner's ownership of a particular Unit or Units. Any exclusive right to use a Common Element granted by the Board of Managers shall be effectuated by a revocable license, which license shall include, among other things, standards for revocation giving due consideration, in the case of licenses granted to Unit Owners, to the nature and cost of improvements made to or on the Common Elements by the Unit Owner to whom the license is granted.

(b) The Board of Managers shall, if any question arises, determine the purpose for which a Common Element is intended to be used. The Board of Managers shall have the right to regulate access to Common Elements and to promulgate rules and regulations scheduling the use of Common Elements, and limiting the use of Common Elements to Unit Owners, their tenants, licensees, invitees, clients, guests and employees, as well as providing for the exclusive use of a Common Element by a Unit Owner and such Unit Owner's guests, for special occasions. Such use may be conditioned upon, among other things, the payment by the Unit Owner (or other person or entity) seeking such use, of such assessment as may be established by the Board of Managers for the purpose of defraying the costs of such use.

(c) Notwithstanding anything in this Declaration or in the By-laws to the contrary, a Unit Owner may gain access to any mechanical equipment rooms or roofs described as Common Elements in this Declaration, only through clearance by the Board of Managers and under such supervision as the Board shall reasonably require. The foregoing shall not be deemed to circumscribe or limit roof access for emergency egress as required by law.

Section 5.2 Easements for Utilities, Pipes and Conduits.

(a) Each Unit Owner and said Unit Owner's agents, contractors, invitees, licensees and employees shall have in common with all other Unit Owners, an easement of access

to all other Units and to the Common Elements, and each Unit and the Common Elements shall be subject to such easement, as may be necessary for such Unit Owner to use, install, operate, maintain, repair, rebuild, restore and replace, as necessary, such Owner's Unit including, if any, the pipes, wires, flues, ducts and conduits which are part of the Unit running from the meters or equipment servicing such Unit to the Unit.

(b) Each Unit Owner shall have an easement in common with the Owners of all other Units to use, in accordance with then present use and present available facilities, all pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units and serving such Unit Owner's Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use, in accordance with then present use and present available facilities, Common Elements serving such other Units and located in such Unit.

Section 5.3 Access Easement of Board of Managers. Subject to the provisions of Section 5.4 of this Declaration and the notice provisions in the By-laws, the Board of Managers, its members, agents, contractors and employees, shall have an easement and a right of access to each Unit to (i) inspect the Unit in seeking to identify the source or cause of a plumbing, mechanical or other problem in the Building, (ii) remove violations from the Unit, (iii) maintain, repair or improve pipes, wires, ducts, cables, conduits and utility lines or other Common Element located in any Unit, (iv) make repairs to the Unit to prevent damage to the Common Elements or to any other Unit or (v) abate any violation of (or implement any modifications or alterations required by) any law, ordinance, statute or rule of any governmental authority having jurisdiction thereof. The Board shall have an easement and right of access to all Common Elements (irrespective of the restricted nature of such Common Elements) to remove violations, to prevent harm or damage to other Common Elements or Units, Owners, occupants or users of the Property, or to implement modifications or alterations required by law, and for inspection, maintenance, repair or improvement.

Section 5.4 Exercise of Easements.

(a) The easements authorized pursuant to Sections 5.2 and 5.3 of this Declaration shall be exercised in such a manner as will not materially or unreasonably interfere with the normal conduct of business of an Owner, tenant(s) or other occupant(s) of any Unit, in the event access is needed, or with the use of any Units (and the Limited Common Elements appurtenant thereto) or the Common Elements, for their permitted purposes. Any pipes, wires, ducts or other facilities installed, operated, maintained and/or used pursuant to said easements, if located within the normal view of the occupants, patrons, customers, tenants or other users of Common Elements, a Unit or the use or businesses located therein, shall be reasonably consistent with the aesthetic character of the Unit or Common Element in, on or through which the facility is located, and if installed, operated or maintained within a Unit, shall not be so installed, operated or maintained without the Unit Owner's prior written consent, which consent shall not be unreasonably withheld or delayed. Entry shall be permitted on reasonable prior notice to the applicable Unit Owner(s), except that notice will not be necessary in the case of an "emergency" (i.e., a condition requiring inspection, repair or replacement immediately necessary for the preservation or safety of the Property, or for the safety of occupants or users of the Property, or required to avoid the suspension of any necessary service to the Property).

(b) If the Board of Managers requires entry into a Unit, or if one Unit Owner requires entry into another Owner's Unit, in either case during non-business hours or any other period when there ordinarily would not be security or other occupants present in the Unit, the Unit Owner whose Unit is being entered shall have the right to make reasonable arrangements for security of the Unit and its contents and oversight of the work being performed, during such period as access and entry shall continue. The cost of such security and oversight shall be borne exclusively by the party (i.e., the Board of Managers or a Unit Owner, as applicable), requiring the access and entry.

(c) The Board of Managers shall not perform any work in a Unit to cure a violation or problem therein arising out of the action or failure to act of the Unit Owner or a tenant or other occupant of the Unit (except emergency work pursuant to the foregoing), unless the Board of Managers has given the Unit Owner notice of and opportunity to cure the violation or other problem emanating from said Owner's Unit, in accordance with the By-laws.

Section 5.5 Easement for Encroachments. If any portion of a Unit or the Common Elements (whether restricted in use to an individual Unit Owner or not) encroaches or shall hereinafter encroach upon another Unit or the Common Elements as a result of: (i) the reconstruction or settling or shifting of the Building, or (ii) any repair or restoration made by the Board of Managers to the Building, any Unit or the Common Elements, or (iii) any reconstruction after a partial or total destruction as a result of a fire or other casualty or as a result of condemnation or eminent domain proceedings, a valid easement for the encroachment and the maintenance of the same shall and does exist, provided, however, that the encroachment is de minimis and does not materially or unreasonably interfere with the normal conduct of business of the Owner, tenant(s) or other occupant(s) of the Unit, or Common Element being encroached upon, or with the use of the Common Element or Unit being encroached upon, for its or their permitted purposes. Such easements as provided in this Section shall exist so long as the Building shall stand.

Section 5.6 Easements of Necessity and Emergency Egress. Each Unit shall have and each Unit shall be subject to all easements of necessity and emergency egress in favor of such Unit or in favor of other Units and the Common Elements.

Section 5.7 Declarant's and Board's Easements.

(a) Declarant and/or its designee and their respective successors and assigns shall 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 Unit owned by it or them and shall have an additional easement providing access in and to all Units and Common Elements consistent with the Offering Plan, including without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units.

(b) Declarant and/or its designee and the Board of Managers shall have the right to grant such electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Property generally, as the case may be, as Declarant and/or its designee, or the Board of Managers, 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 Units, provided that such additional utility

easements or the relocation of existing utility easements will not prevent or unreasonably interfere with the normal conduct of business of the Owner, tenant(s) or other occupant(s) of the Building or 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 normal conduct of business of the Owner, tenant(s) or other occupant(s) of the Building or with the use of the Units for their permitted purposes.

Section 5.8 Responsibility and Indemnity. The user of any easement granted by the above subparagraphs of this Article 5 shall have the responsibility of repairing any damage to the Common Elements or to any other Unit directly or indirectly resulting from the exercise of the easement. Additional obligations respecting maintenance and repair of Units and Common Elements arising out of these access and easement rights are found in the By-laws. Unit Owners shall be obligated to indemnify other Unit Owners and the Board of Managers, and the Board of Managers shall be obligated to indemnify Unit Owners, in connection with loss, damage or liability arising out of that party's exercise of rights pursuant to the easements granted in this Article 5.

ARTICLE 6
CONDOMINIUM GOVERNANCE; SERVICE OF PROCESS

Section 6.1 Board of Managers. The affairs of the Condominium shall be governed and controlled by a Board of Managers, as described in the By-laws. When in this Declaration or in the By-laws an action is to be undertaken, or is authorized to be done by the Condominium, it shall mean the Condominium acting through its Board of Managers, unless the text clearly requires another interpretation (i.e., through a vote of the Unit Owners). When the Board of Managers is authorized or obligated to act, it shall be acting on behalf of all Unit Owners in the Condominium.

Section 6.2 Administration. The administration of the Condominium shall be in accordance with the provisions of this Declaration and the By-laws.

Section 6.3 Service of Process. The Secretary of State is hereby designated as agent of the Board of Managers upon whom process against the Board of Managers may be served. Service of process on the Secretary of State as agent for the Board of Managers shall be made personally, by delivering to and leaving with the Secretary of State or his or her deputy, or with any person authorized by the Secretary of State to receive such service, at the office of the Department of State in Albany, New York, duplicate copies of such process together with the statutory fee, which shall be a taxable disbursement. Service of process on the Board of Managers shall be complete when the Secretary of State is so served. The Secretary of State is required under the Condominium Act to promptly send one of such copies by certified mail, return receipt requested, to the Board of Managers, at the post office address on file with the Department of State, specified for such purpose. ***The Board of Managers is required under the Condominium Act to file with the Secretary of State the name and post office address to which the Secretary of State shall mail a copy of any process served upon the Secretary of State, and to update such filing as necessary. As of the date of recording this Declaration, such address is c/o SOBRO Local Development Corporation, 555 Bergen Avenue, Bronx, New York 10455.***

ARTICLE 7
POWER OF ATTORNEY TO BOARD OF MANAGERS

Section 7.1 Power of Attorney.

(a) Each Unit Owner at the time of closing of title to said Owner's Unit, shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest (in such form and content as the Board of Managers shall determine) to, following due authorization of the Unit Owners in accordance with the By-laws, (i) acquire or lease any Unit, together with its Appurtenant Interests (as defined in Article 8 of this Declaration), from any Unit Owner desiring to sell, convey, transfer, or lease the same, upon such terms and conditions as set forth in the By-laws, (ii) acquire any Unit, together with its Appurtenant Interests, whose Owner elects to surrender or abandon same pursuant to the By-laws, and (iii) acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other judicial sale, or otherwise on such terms and at such price or rental as the case may be, as the attorneys-in-fact deem proper. Any such acquisition or lease shall be in the name of the Board of Managers or their designee, corporate or otherwise, on behalf of all Unit Owners. The power of attorney shall authorize the holders thereof, after any such acquisition or lease, to convey, sell, lease, sublease, mortgage or otherwise deal with any such Unit so acquired by them or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as the attorneys-in-fact may determine.

(b) The power of attorney shall also authorize the Board of Managers and Declarant, as applicable, to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium which the Board of Managers or Declarant, as applicable, deems reasonably 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, or any agreement of record, applicable to the operation, maintenance, demolition, construction, alteration, repair or restoration of the Condominium (and/or with respect to Declarant, applicable to consummation of its obligations as Sponsor under the Offering Plan), or (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium which the Board of Managers or Declarant, as applicable, deems necessary or appropriate. Such power of attorney shall also authorize the Board of Managers to execute, acknowledge and deliver any instrument affecting the Unit in connection with any petition seeking administrative and judicial review of an assessment made in accordance with Real Property Law § 339-y(i) which the Unit Owner, by written authorization, may have authorized the Board of Managers to undertake.

Section 7.2 Limitation on Authority. The power of attorney shall explicitly prohibit the Board of Managers from acting so as to adversely affect the rights or interest of Declarant or of a Unit Owner, without the prior consent of such adversely affected party.

Section 7.3 Recording. The Board of Managers shall cause the power of attorney to be recorded in the office of the Register of the City of New York, New York County, at the expense of the Unit Owner immediately upon the Board of Managers' receipt thereof.

ARTICLE 8
ACQUISITION AND SALE OR LEASE OF UNITS BY BOARD OF MANAGERS,

Section 8.1 Generally.

(a) In the event (i) any Residential Unit Owner shall surrender said Owner's Unit, together with (x) the Common Interest appurtenant thereto, (y) the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers or any of its designees, on behalf of Unit Owners, or the proceeds of the sale or lease thereof, if any, and (z) the interest of such Residential Unit Owner in any other assets of the Condominium (the items listed in clauses (x), (y) and (z) are hereinafter collectively called the "**Appurtenant Interests**"), pursuant to the provisions of Section 339-x of the Condominium Act, or in the event (ii) the Board of Managers shall acquire or lease a Unit from any Unit Owner together with the Appurtenant Interests, pursuant to the By-laws or otherwise, or in the event (iii) the Board of Managers shall purchase a Unit at a foreclosure or similar sale or otherwise, title to any such Unit together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

(b) Any profit upon any sale of a Unit so acquired by the Board of Managers shall accrue to the benefit of the Unit Owners.

(c) The lease covering any Unit leased by the Board of Managers shall be held by the Board of Managers or its designee, on behalf of all Unit Owners in proportion to their Common Interests.

ARTICLE 9
CONDOMINIUM DOCUMENTS RUN WITH THE LAND

Section 9.1 All Owners, Tenants and Occupants Subject to Condominium Documents Which Run With the Land. All present and future Unit Owners, tenants, occupants or any other person that might use the Units or the facilities of the Property in any manner, are subject to the provisions of this Declaration, the By-laws, and Rules and Regulations of the Condominium, as they may be amended from time to time. The acceptance of a deed of conveyance of, or the entering into of a lease for all or any portion of, or the entering into occupancy of all or any portion of a Unit shall signify that the provisions of this Declaration and the By-laws and Rules and Regulations of the Condominium, 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 of conveyance or lease thereof.

ARTICLE 10
AMENDMENT AND TERMINATION

Section 10.1 Amendment.

(a) Except for the rights of Declarant set forth in this Article 10 and elsewhere in this Declaration to amend this Declaration itself, and the right of the Board of Managers to cause this Declaration to be amended to reflect the alteration of Common Elements by the Board (or otherwise) and the alteration, combination or division of Unit(s) by Unit Owners (or otherwise), as discussed in this Declaration and in the By-laws, and to make related changes arising out of such modifications, this Declaration may be modified, altered, amended or added to only at a duly called meeting of Unit Owners, provided that:

(i) a notice of the meeting containing a full statement of the proposed amendment has been sent to all Unit Owners in accordance with Section 3.4 of the By-laws;

(ii) Unit Owners representing at least 66⅔% in number and Common Interest of Units, voting in person or by proxy approve the amendment at the meeting; and

(iii) the amendment, in the form approved at the meeting, is duly recorded in the City Register's Office.

(b) Notwithstanding the foregoing, while Declarant is the only Unit Owner, Declarant may amend this Declaration without the necessity of calling a meeting.

(c) (i) Declarant and its successors and assigns shall have the further right, without the necessity of calling a meeting and without the vote of any other Unit Owners, the Board of Managers or the holders of Unit mortgages, to execute (or to require the Board of Managers to execute) and to record in the City Register's Office, an amendment to this Declaration and/or to the By-laws annexed hereto, to reflect changes in number, size, layout, etc. in Units owned by Declarant, and any reapportionment of Common Interest necessitated by such change, and to file simultaneously with said amendment, any amendment to the Tax Lot Drawings necessitated by such change, pursuant to Declarant's rights set forth in Section 7.8 of the By-laws and elsewhere and to reflect any related modifications arising out of such changes. The consent of all Unit Owners and Mortgagees, and if required by law, the Board of Managers, to any such amendment, shall be deemed given.

(ii) Declarant, its affiliates and its successors and assigns shall also have the right, regardless of how many Units it owns or how many other Unit Owners shall exist, to amend this Declaration and the By-laws annexed hereto, and the Tax Lot Drawings, without calling a meeting and without the vote of any other Unit Owners, to effect changes and/or corrections consistent with Declarant's rights and obligations hereunder and under the Offering Plan. The consent of all Unit Owners and Mortgagees, and if required by law, the Board of Managers, to any such amendment, shall be deemed given.

(iii) Any amendments and filings made by Declarant pursuant to the foregoing shall be at Declarant's sole cost and expense, unless Declarant shall arrange otherwise with a party on whose behalf the modifications are being made.

(d) An instrument evidencing an amendment to this Declaration must be duly recorded in the City Register's Office. Such instrument need not contain the written consent of the required number of Unit Owners, but shall contain a certification by the Board of Managers, or Declarant, if applicable, that the consents, if any, required for such change have been received and filed with the Board of Managers or have been deemed given pursuant to the provisions of this Article 10. With certain exceptions discussed below, the costs and expenses of preparing and recording an amendment to the Declaration pursuant to this Article 10 shall be borne by the Unit Owners as a Common Expense. However, Declarant shall bear its costs with respect to amendments filed pursuant to Section 10.1(b), and Declarant shall, if applicable, bear the costs referred to in Section 10.1(c)(iii). Further, if an amendment is necessitated as a result of alteration work performed by a Unit Owner, the Unit Owner shall bear the expense of preparing and recording the amendment, although the Board shall bear the responsibility of recording such amendment, provided it has approved same in accordance with this Declaration and the By-laws.

(e) Copies of amendments to this Declaration will be furnished by the Board of Managers to Unit Owners (as a General Common Expense) if the amendment is prepared and recorded by the Board of Managers and affects the Condominium as a whole. Amendments filed by the Board of Managers on behalf of a Unit Owner shall be duplicated and distributed to all Unit Owners at the amending Unit Owner's sole cost and expense.

(f) No amendment to this Declaration may be passed which (i) adversely affects Declarant's rights hereunder with respect to the sale or leasing of Units owned by it or the making of alterations, additions and improvements to Units owned by it, or (ii) which adversely affects Declarant's rights hereunder in any way whatsoever, without Declarant's prior written consent.

Section 10.2 Termination and Withdrawal. The Condominium shall not be terminated or withdrawn from the Condominium Act except in accordance with this Declaration, the By-laws, and all laws, ordinances and regulations applicable to the Property at the time termination or withdrawal is desired. In this regard, the Condominium may be terminated following a loss due to casualty or condemnation, as more fully described in the By-laws. In addition, the Condominium may be withdrawn from the provisions of the Condominium Act by the affirmative vote of Unit Owners representing at least 80% in number and Common Interest of Units. If withdrawal of the Condominium from the Condominium Act is authorized as provided in this Section 10.2, 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 arising out of the partition action shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of the Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

ARTICLE 11
GENERAL

Section 11.1 Declarant's Rights and Obligations. Nothing contained in the Condominium Documents shall be deemed to impose upon Declarant any obligation of any nature to build, construct or provide any improvements on the Property. All rights accruing to Declarant hereunder shall also accrue to an affiliate of Declarant, or any entity appointed by Declarant as its designee, or any person or entity succeeding to Declarant's rights hereunder. As used in this Declaration, an affiliate of Declarant shall be deemed to be (i) a person or entity who or which owns more than 25% of the legal or beneficial interest of Declarant, or (ii) an entity with respect to which Declarant owns more than 25% of the legal or beneficial interest, or (iii) an entity owned or controlled directly or indirectly by the principal shareholder of the general partner of Declarant.

Section 11.2 Invalidity. The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been made.

Section 11.3 Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce same, irrespective of the number of violations or breaches which may occur.

Section 11.4 Captions. The captions in the Condominium Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provision thereof.

Section 11.5 Conflicts. Conflicts between this Declaration and the By-laws attached hereto shall be resolved in favor of this Declaration. Conflicts between this Declaration and the Condominium Act shall be resolved in favor of the Condominium Act.

IN WITNESS WHEREOF, HARLEM INFIL LLC has caused this Declaration to be executed this ____ day of _____ 2005.

HARLEM INFIL LLC,

By: Harlem Infil Corp., Member

By: _____
Name:
Title:

STATE OF NEW YORK)
ss.:
COUNTY OF NEW YORK)

On this ____ day of _____ 2005 before me the undersigned, personally appeared Phillip Morrow, 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

LIST OF SCHEDULES

Schedule A - Legal Description

Schedule B - Unit Designations, Common Interest and Related Information

Schedule C - By-laws of the Condominium

SCHEDULE A

LEGAL DESCRIPTION

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of New York, City of New York, County of New York, State of New York, bounded and described as follows:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City of New York, County, City and State of New York, more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of West 116th Street and the easterly side of Manhattan Avenue;

RUNNING THENCE easterly along said southerly side of West 116th Street, 114 feet 0 inches to a point;

THENCE southerly and parallel with the easterly side of Manhattan Avenue, 100 feet 11 inches to a point;

THENCE westerly and parallel with the southerly side of West 116th Street, 27 feet 0 inches to a point;

THENCE northerly and again parallel with the easterly side of Manhattan Avenue, 36 feet 9 inches to a point;

THENCE westerly and again parallel with the southerly side of West 116th Street, 87 feet 0 inches to the easterly side of Manhattan Avenue;

THENCE northerly along said easterly side of Manhattan Avenue 64 feet 2 inches to the point or place of BEGINNING.

SCHEDULE B

UNIT DESIGNATIONS, COMMON INTEREST AND RELATED INFORMATION

UNIT NO.	TAX LOT NUMBER	COMMON INTEREST	APPROX. UNIT AREA* (Sq. Ft.)	APPROX. AREA OF LTD. COMMON ELEMENT (Sq. Ft.)	LOCATION IN BUILDING	COMMON ELEMENTS TO WHICH UNIT HAS ACCESS
1A(Y)	1001	5.20%	1,512		West	Corridors, Stairs
1B(P)	1002	5.87%	1,641		West	Corridors, Stairs
1C	1003	5.57%	1,555		East	Corridors, Stairs
1D(Y)	1004	6.98%	1,870		East	Corridors, Stairs
2A	1005	7.57%	2,051		West	Corridors, Stairs
2B	1006	7.68%	2,088		East	Corridors, Stairs
3A	1007	7.76%	2,051		West	Corridors, Stairs
3B	1008	7.87%	2,088		East	Corridors, Stairs
4A	1009	7.85%	2,051		West	Corridors, Stairs
4B	1010	7.96%	2,088		East	Corridors, Stairs
5A	1011	7.95%	2,051		West	Corridors, Stairs
5B	1012	8.06%	2,088		East	Corridors, Stairs
PHA(T)	1013	7.21%	1,824		West	Corridors, Stairs
PHB(T) [2]	1014	6.47%	1,541		East	Corridors, Stairs
TOTALS		100%				

P = Patio
T = Terrace
Y = Private Courtyard

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* The square foot area of the Unit of the Unit excludes the square foot area of any yard, patio, or terrace appurtenant to the Unit as a Limited Common Element. The yard, patio or terrace area, if applicable, is in the column adjacent to the Unit area column.

7. SCHEDULE C TO THE DECLARATION

BY-LAWS

of

374 MANHATTAN CONDOMINIUM
316 WEST 116th STREET
NEW YORK, NEW YORK

BRYAN CAVE LLP
Attorneys for Declarant
1290 Avenue of the Americas
New York, New York 10104

TABLE OF CONTENTS

Page

ARTICLE 1 GENERAL 1
Section 1.1. Purpose 1
Section 1.2. Applicability of By-Laws 1
Section 1.3. Application 1
Section 1.4. Address 1
Section 1.5. Title to Units 1
Section 1.6. Waiver of Immunity; Service of Process. 1

ARTICLE 2 BOARD OF MANAGERS 3
Section 2.1. Number and Qualification. 3
Section 2.2. Term of Office. 5
Section 2.3. Resignation and Removal of Members of the Board of Managers. 5
Section 2.4. Vacancies 6
Section 2.5. Powers and Duties. 6
Section 2.6. Managing Agent and Manager 9
Section 2.7. Organizational Meeting 9
Section 2.8. Regular Meetings 10
Section 2.9. Special Meetings 10
Section 2.10. Waiver of Notice; Telephone Participation. 10
Section 2.11. Quorums, Determinations and Adjournments. 10
Section 2.12. Fidelity Bonds 11
Section 2.13. Compensation 11
Section 2.14. Liability of the Board of Managers and Officers of the Condominium. 11
Section 2.15. Executive Committees 11
Section 2.16. Other Committees 12
Section 2.17. Rules and Regulations 12

ARTICLE 3 UNIT OWNERS 12
Section 3.1. Annual Meetings 12
Section 3.2. Place of Meetings 13
Section 3.3. Special Meetings 13
Section 3.4. Notice of Meetings 13
Section 3.5. Adjournment of Meetings 13
Section 3.6. Order of Business 13
Section 3.7. Voting 14
Section 3.8. Proxies 14
Section 3.9. Majority of Unit Owners 14
Section 3.10. Quorum 14
Section 3.11. Binding Nature of Majority Vote 15
Section 3.12. Action Without Meeting 15

ARTICLE 4 OFFICERS 15
Section 4.1. Designation and Qualification 15

Section 4.2. Election of Officers 15
Section 4.3. Removal, Resignation and Other Vacancies 15
Section 4.4. President 15
Section 4.5. Vice-President 16
Section 4.6. Secretary 16
Section 4.7. Treasurer 16
Section 4.8. Agreements, Contracts, Deeds, Checks, etc 16
Section 4.9. Compensation of Officers 16

ARTICLE 5 COMMON EXPENSES, CHARGES AND ASSESSMENTS DETERMINATION, PAYMENT, COLLECTION AND ACCOUNTS 16
Section 5.1. Determination of Common Expenses and Fixing of Common Charges; Special Assessments. 16
Section 5.2. Accounts 18
Section 5.3. Reserves. 18
Section 5.4. Payment of Common Charges and Assessments; Liability of Grantee and Grantor After Transfer of Unit. 18
Section 5.5. Default in Payment of Common Charges and Assessments. 19
Section 5.6. Collection of Common Charges and Assessments 20
Section 5.7. Unpaid Common Charges and Assessments; Personal Obligation of Unit Owner and Lien on Unit 20
Section 5.8. Foreclosure of Lien for Common Charges and Assessments; Liability of Grantee in Foreclosure 20
Section 5.9. Proceedings to Foreclose Common Charge Liens or Otherwise Collect Unpaid Common Charges and Assessments; Unit Rentals 20
Section 5.10. Statement of Monies Owed 21

ARTICLE 6 INSURANCE 21
Section 6.1. Generally. 21
Section 6.2. Repair or Reconstruction After Fire or Other Casualty 22
Section 6.3. Unit Owner Failure to Rebuild 24
Section 6.4. Termination of Condominium Following Damage or Destruction 24
Section 6.5. Construction Manager and General Contractor 24

ARTICLE 7 THE CONDOMINIUM PROPERTY USE, OPERATION, PRESERVATION, MAINTENANCE AND REPAIR 24
Section 7.1. Maintenance and Repairs Which Are the Responsibility of the Board of Managers. 24
Section 7.2. Maintenance and Repairs Which Are a Unit Owner's Responsibility. 25
Section 7.3. Quality, Type and Scheduling of Maintenance and Repairs. 26
Section 7.4. Scaffolding 26
Section 7.5. Violations of Maintenance Obligations 27
Section 7.6. Restrictions on Use of Units 27
Section 7.7. Additions, Alterations or Improvements by Board of Managers. 29
Section 7.8. Additions, Alterations or Improvements by Unit Owners 30
Section 7.9. Use of Common Elements and Facilities. 33
Section 7.10. Right of Access 34
Section 7.11. Water Charges and Sewer Rents 34

Section 7.12. Electricity and Gas 34

ARTICLE 8 MORTGAGES 35
Section 8.1. Unit Owner's Rights 35
Section 8.2. Notice to Board of Managers 35
Section 8.3. Notice of Unpaid Common Charges or Other Default 35
Section 8.4. Notice of Default. 35
Section 8.5. Permitted Mortgagees to Notify Board of Managers of Unit Owner's Default 36
Section 8.6. Board of Managers Shall Be Notified in All Mortgage or Other Lien Foreclosures; Right to Bid 36
Section 8.7. Receivers 36

ARTICLE 9 SALES AND LEASES OF UNITS 36
Section 9.1. Sales. 36
Section 9.2. Leases. 38
Section 9.3. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers 40
Section 9.4. No Severance of Ownership 40
Section 9.5. Release by Board of Managers of Right of First Refusal 40
Section 9.6. Certificate of Termination of Right of First Refusal 40
Section 9.7. Financing of Purchase of Units by Board of Managers 41
Section 9.8. Exceptions 41
Section 9.9. Gifts and Devises, etc 41
Section 9.10. Waiver of Right of Partition with Respect to Such Units as Are Acquired by the Board of Managers, or Its Designee, on Behalf of All Unit Owners as Tenants in Common 41
Section 9.11. Payment of Assessments 41

ARTICLE 10 CONDEMNATION 42
Section 10.1. Action to Contest Condemnation 42
Section 10.2. Obligation to Restore 42
Section 10.3. Partition Action in Lieu of Continuation of Condominium After Partial Taking by Condemnation 42
Section 10.4. Distribution of Condemnation Awards. 43
Section 10.5. Temporary Taking 43
Section 10.6. Insurance Trustee 43

ARTICLE 11 ARBITRATION 44
Section 11.1. Applicability 44
Section 11.2. Appointment of Arbitrators. 44
Section 11.3. Qualification of Arbitrators 45
Section 11.4. Procedures. 45
Section 11.5. Costs and Expenses 45
Section 11.6. Agreement by Parties 45

ARTICLE 12 RECORDS AND AUDITS 46
Section 12.1. General 46
Section 12.2. Examination of Books 46

ARTICLE 13 GENERAL 46
Section 13.1. Notices. 46
Section 13.2. Real Estate Taxes 47
Section 13.3. Abatement and Enjoinment of Violations by Unit Owners 48
Section 13.4. Invalidity 48
Section 13.5. Captions 48
Section 13.6. Plurals 48
Section 13.7. Waiver 48

ARTICLE 14 AMENDMENTS TO BY-LAWS 48
Section 14.1. General 48
Section 14.2. Declarant's Rights. 48
Section 14.3. Use of Units 50

ARTICLE 15 CONFLICTS 50
Section 15.1. Generally 50

Exhibits

Exhibit A Initial Rules and Regulations of Condominium

BY-LAWS

of

374 MANHATTAN AVENUE CONDOMINIUM
316 WEST 116th STREET
NEW YORK, NEW YORK

ARTICLE 1

GENERAL

Section 1.1. Purpose. The purpose of these By-laws is to set forth the rules and procedures governing the operation and conduct of the condominium project known as 374 Manhattan Condominium (the "**Condominium**"). All capitalized terms used in these By-laws and not defined herein, shall have the meanings ascribed to them in the Declaration to which they are annexed.

Section 1.2. Applicability of By-Laws. The provisions of these By-laws are applicable to the Property and to the use and occupancy thereof. The term "**Property**" as used in these By-laws shall include, in addition to the Land, the Building and all other Improvements thereon (including the Units and the Common Elements), all easements, rights and appurtenances belonging thereto, and all other property, personal or otherwise intended for use in connection therewith, all of which are intended to be submitted to the provisions of the Condominium Act.

Section 1.3. Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, agents and/or licensees, and any other persons who may use the facilities of the Property in any manner are subject to these By-laws, the Declaration and the Rules and Regulations, each as amended from time to time. The acceptance of a deed or conveyance or the entering into (or acceptance of assignment) of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 1.4. Address. The address of the Condominium is 316 West 116th Street, New York, New York 10026.

Section 1.5. Title to Units. Title to Units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation, limited liability company, partnership, fiduciary, trust, estate, unincorporated association, organization, syndicate, joint venture, government (or any mission, department or agency thereof), or any other entity.

Section 1.6. Waiver of Immunity; Service of Process.

(a) By its acceptance of a deed for a Unit, each Unit Owner that is a government or governmental mission, a department, agency or consulate of a government, an international organization or any other party who or which may be entitled under applicable laws, conventions or

treaties, including, without limitation, the United States Foreign Sovereign Immunities Act of 1976, 28 U.S.C. § 1602 et seq. as same may be amended ("**FSIA**"), to any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (or diplomatic or consular immunity, if applicable), from any legal or equitable proceedings in the United States of America or elsewhere (each such Unit Owner an "**IUO**"):

(i) Expressly acknowledges and agrees that the acquisition of such Unit constitutes commercial activity by the IUO within the meaning of FSIA;

(ii) Expressly and voluntarily waives any sovereign immunity from the personal jurisdiction of the courts of the United States and of the States of the United States as to any controversy, dispute or claim in connection with or relating to the Condominium Documents, the Property or the IUO's ownership, use, occupancy or operation of the IUO's Unit;

(iii) Expressly and voluntarily waives all rights to immunity from pre-judgment attachment, attachment in aid of execution, or from execution, upon a judgment entered by a court of the United States or of a State of the United States even though the Unit may be used for the purposes of maintaining a diplomatic or consular mission or the residence of the Chief of such mission;

(iv) Irrevocably and unconditionally (1) consents to any suit, action or proceeding arising out of or relating to the Condominium Documents, the Property or the IUO's ownership, use, occupancy or operation of its Unit being brought in any state or Federal court in the State of New York; (2) waives any objection which it may have now or hereafter to the laying of the venue of any such suit, action or proceeding under clause (1) above, in any such court, or claim that any such suit, action or proceeding under clause (1) above, has been brought in an inconvenient forum; (3) acknowledges the competence of any such court and submits to the jurisdiction of any such court in any such suit, action or proceeding; (4) agrees that any final non-appealable order or judgment issued by any such court in any such suit, action or proceeding shall be conclusive and binding upon the IUO and may be enforced in the courts of such IUO's country of origin once a further judgment has been obtained in the courts of such IUO's country of origin, which further judgment may as a matter of practice be obtained without relitigation on the merits of the matter adjudicated upon by such state or Federal court in the State of New York, a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of such IUO's obligation, provided that service of process is effected upon the IUO in the manner specified above or as otherwise permitted by law; and (5) irrevocably consents to service of process upon it out of said courts in any such suit, action or proceeding by mailing copies thereof by registered or certified air mail postage prepaid, to such Unit Owner at the Property; and

(v) Agrees that, in connection with any such suit, action or proceeding in the state or Federal courts in the State of New York, to the extent that FSIA is applicable to such IUO, the waiver of immunity and arrangements for service of process set out herein are made in conformity with, and shall be governed by FSIA, and the foregoing provisions constitute a special arrangement for service between such IUO and each other person entitled to enforce the provisions of this Article for the purposes of FSIA.

(b) For the purpose of any suit, action or proceeding taken in any state or Federal court in the State of New York, each IUO shall maintain an agent for service of process in the City of New York, State of New York. Absent a written designation of another person executed and delivered to the Board of Managers by the IOU, each IUO shall be deemed to have irrevocably designated, appointed and empowered the Managing Agent as its duly authorized and lawful agent to receive process for and on behalf of such IUO in any state or Federal suit, action or proceeding in the

State of New York based on, arising out of or connected with the Condominium Documents, the Property, or the IOU's ownership, use, occupancy and operation of its Unit. Nothing contained herein is intended or shall be deemed to limit the rights to the Board of Managers or any other Unit Owner to serve process in any other country or any other manner permitted by law or to bring any legal action or proceeding or to obtain an attachment or execution of judgment in any competent jurisdiction, including in the courts of IOU's country of origin.

(c) In addition, the Board of Managers may require that the potential grantee of a Unit enter into an agreement with the Board of Managers, on terms acceptable to the Board of Managers and its counsel, in which the potential grantee (i) confirms compliance with the foregoing provisions of this Section 1.6, (ii) expressly and irrevocably waives, to the full extent permitted by law (including, without limitation, the FSIA), with respect to the grantee itself and with respect to any and all other intended occupants of the Unit, any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (and diplomatic and consular immunity, if applicable), from any legal or equitable proceedings in the United States of America or elsewhere, brought by the Board of Managers or any other party claiming with respect to the Unit (including without limitation, immunity from service of process, immunity from jurisdiction of any court or tribunal, and immunity of any of that party's property from attachment prior to entry of judgment and from attachment in aid of execution, and from execution itself, upon a judgment), (iii) agrees that any legal action or proceeding with respect to the Unit may be brought in the courts of the State of New York, and in the City of New York, or in the United States District Court for the Southern District of New York, as the Board of Managers shall elect, and (iv) permits execution and enforcement of any judgment obtained by the Board of Managers.

(d) The Board of Managers may require evidence satisfactory to the Board's counsel, of the authority of the party executing any such agreement to execute it, and confirming the binding nature of any agreement executed by such party.

(e) With respect to any potential grantee which is an IUO or a corporation, limited liability company, partnership, trust or other entity including, without limitation, those itemized in Section 1.6(a) above, the Board of Managers shall have the right and authority to require personal guarantees and/or such other assurances and security as the Board of Managers shall reasonably deem necessary to insure that Common Charges due with respect to the Unit are paid and other obligations respecting the Unit are satisfied.

ARTICLE 2

BOARD OF MANAGERS

Section 2.1. Number and Qualification.

(a) The affairs of the Condominium shall be governed by a Board of Managers (the **"Board of Managers"** or the **"Condominium Board"**). The initial Board of Managers shall consist of three persons designated by the Declarant. These individuals shall hold office until their successors shall have been installed at the first annual meeting of Unit Owners held pursuant to Section 3.1 of these By-laws, at which time a five (5) member Board of Managers shall be established in accordance with these By-laws.

(b) At all annual meetings of Unit Owners, Declarant and/or its designee shall be entitled to vote for both Declarant and non-Declarant nominees for election to the Board in accordance with Declarant's and/or its designee's ownership of Units and the number of votes attributable to such Units. In addition, while Declarant and/or its designee owns Units representing at least 25% in Common Interest, Declarant and/or its designee shall have the right, but not the obligation, to appoint a majority of the Board of Managers. However, after the earlier of conveyance of title by Declarant to Units representing 76% in Common Interest, or the fifth (5th) annual anniversary of the First Unit Closing, Declarant will not have the right to appoint a majority of the Board of Managers even if Declarant's Common Interest or any provisions of these By-laws would otherwise allow Declarant to do so. Accordingly, if upon the earlier to occur of the two foregoing dates Declarant's appointees to the Board of Managers constitute a majority of the Board of Managers, then Declarant shall cause a special meeting of Unit Owners to be called within approximately thirty (30) days after that date to elect replacement Board members for the Declarant-appointees.

(c) In addition to the foregoing, so long as Declarant and/or its designee shall continue collectively to own (i) Units representing less than 25% but at least 10% in Common Interest, Declarant shall have the right to appoint two (2) members of the Board of Managers and (ii) Units representing less than 10% in Common Interest but at least one Unit, Declarant and/or its designee shall have the right to appoint one (1) member of the Board of Managers.

(d) Notwithstanding anything in these By-laws to the contrary, whenever Declarant shall have the right to designate more than one member of the Board, Declarant may appoint one individual to serve on the Board and that person shall have the same rights and votes as would have been available to Declarant had Declarant appointed two separate Board members.

(e) So long as Declarant and/or its designee continues to own at least one Unit, the number of members of the Board of Managers may not be changed without the prior consent of Declarant and/or its designee.

(f) Each member of the Board of Managers, other than an appointee of Declarant or its designee(s), shall be a Unit Owner or the Spouse of a Unit Owner (in the case of individual Unit Owners), or shall be the designee of a Permitted Mortgagee of a Unit. In the case of partnership Owners or mortgagees, the Board member shall be a general partner of such partnership (and, if the general partner is a corporation or partnership, shall be an officer, director, shareholder or partner of such corporate or partnership general partner, as applicable). In the case of corporate Unit Owners or mortgagees, the Board member shall be an officer, director or shareholder of such corporation. In the case of limited liability company Owners or mortgagees, the Board member shall be a member of such company or a principal of a member of the company. In the case of fiduciary Unit Owners or mortgagees, the Board member shall be the fiduciary or an officer of such fiduciary. With respect to any other type of Unit Owner or mortgagee that is an entity, the Board member must be an individual principal, member or other authorized designee of the Unit Owner or mortgagee. With respect to multi-party Unit Owners (i.e., Spouses, partners, domestic partners), only one person per Unit may be a member of the Board of Managers. To be authorized to vote as a Board member, a Unit Owner must not be in default of any payment of Common Charges and other assessments.

(g) If a member of the Board of Managers ceases to meet the qualifications for membership set forth in the previous paragraph, he or she shall be deemed to have resigned from the

Board effective as of the date such ownership, stock ownership, partnership, mortgage or other qualifying interest ceased.

(h) Notwithstanding anything in the foregoing paragraphs of this Section 2.1 or elsewhere in these By-laws to the contrary, at the end of the period of Declarant control referred to in Section 2.1(b) above, a majority of the Board of Managers must be individual Unit Owners or the Spouses of individual Unit Owners, or individual principals or authorized designees of Unit Owners that are entities, who in each case occupy their Units (i.e., they must be "owner-occupants"), and must be unrelated to Declarant and its principals.

Section 2.2. Term of Office.

(a) The term of office of members of the Board of Managers elected at the first annual meeting of Unit Owners shall be three (3) years for two (2) members, two (2) years for two (2) members and one year for one (1) member, or until their respective successors are elected or appointed. The two (2) candidates receiving the highest number of votes shall serve the three-year terms, the two (2) candidates receiving the next highest number of votes shall serve the two-year terms and the one (1) candidate receiving the next highest number of votes shall serve the one-year term. Thereafter at all annual meetings, candidates will be elected for two-year terms. Declarant's appointees to the Board of Manager shall serve one-year terms while they are members of the Board of Managers.

(b) Members of the Board of Managers may serve for more than one term.

(c) When in accordance with these By-laws the number of Declarant-appointed members of the Board of Managers is to decrease as a result of Declarant's decreased ownership, the Declarant-appointed Board member shall step down at the end of his or her term (or sooner if Declarant or its designee shall so direct). Likewise, when Declarant and its designee no longer own any Units, Declarant's appointee to the Board of Managers shall step down at the end of his or her term (or sooner, if Declarant or its designee so directs). A successor to a departing Declarant-appointee shall be elected by the Unit Owners at an annual meeting or at a special meeting of Unit Owners, as the Board or the timing of the Declarant-designee's resignation shall dictate, for a term of one year or two years, as determined by the remaining members of the Board of Managers to insure that terms of not more than three members of the Board of Managers expire in any one year.

Section 2.3. Resignation and Removal of Members of the Board of Managers.

(a) Members of the Board of Managers may resign at any time by giving notice in writing to the Board. Unless otherwise stated in the notice, the resignation shall be effective immediately.

(b) At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member appointed or elected by Declarant or its designee, may be removed with or without cause by a majority of the Unit Owners and a successor to any such Board member may then and there or thereafter be elected by the Board of Managers to fill the vacancy thus created, provided notice of such proposed removal was given to the Board member and in the notice of the meeting. Any member of the Board of Managers appointed by Declarant or its designee may be removed by Declarant or its designee, without notice, for any reason and by a majority of the Unit Owners (with notice) for cause. Any member of the Board of Managers whose

removal has been proposed shall be given an opportunity to be heard at the meeting (except for Declarant-appointed members being removed by Declarant, as to whom no such opportunity need be given). Regardless of whether a Declarant-appointee to the Board is removed by Declarant, Declarant's designee or the Unit Owners, only the Declarant or its designee shall have the right to designate a replacement for such Declarant-appointee.

Section 2.4. Vacancies. Subject to the provisions of Section 2.3(b) above, vacancies in the Board of Managers caused by any reason shall be filled by vote of a majority of the remaining members of the Board of Managers at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Managers for the remainder of the term of the predecessor member and until a successor shall be elected. Notwithstanding the foregoing, vacancies in the Board of Managers caused by death, resignation or otherwise of members appointed by Declarant or its designee, shall be filled only by appointment by Declarant or its designee.

Section 2.5. Powers and Duties.

(a) **General.** The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-laws may not be delegated to the Board of Managers by the Unit Owners. The Board of Managers may not, however, make a determination which has a material adverse effect on, or unfairly discriminates against, a particular Unit or particular class of Units without the prior consent of the adversely impacted Unit Owner(s). A dispute with respect to whether a determination adversely affects a Unit Owner shall not be deemed to exist unless the objecting party specifies the ground for its objection in writing to the Board Of Managers within ten (10) days of receipt by it of notice of such determination. Any dispute pursuant to this Section, if not otherwise resolved among the parties, shall be subject to Arbitration in accordance with these By-laws. Subject to the foregoing, the powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(i) Operation, care, upkeep, maintenance, repair, replacement and cleaning of the General Common Elements.

(ii) Determination of the Common Charges required to pay for the Common Expenses of the Condominium.

(iii) Collection of delinquent Common Charges and other assessments from Unit Owners and expenditure of same to pay Common Expenses.

(iv) Employment and dismissal of the personnel necessary for maintenance and operation of the General Common Elements.

(v) Adoption and amendment of the Rules and Regulations covering operation and use of the Property, and seeking of damages and impositions of fines from Unit Owners for violations of Rules and Regulations. However, the Board of Managers may not enact rules or regulations or perform any acts, or make any other provisions that would interfere with Declarant's rights set forth in these By-laws or in the Declaration relating to sales and leasing of Units, or that discriminates against a specific Unit Owner.

(vi) Opening and maintaining of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(vii) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or Units surrendered by their Owners to the Board of Managers.

(viii) Purchasing a Unit at foreclosure or other judicial or otherwise sale in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(ix) Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property.

(x) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Managers), or otherwise dealing with Units acquired by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

(xi) Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units or rights and interests in real and personal property.

(xii) Leasing and/or licensing portions of the General Common Elements, including, without limitation, leasing or licensing portions of the roof and/or other portions of the Building, for cellular, satellite, microwave and/or other transmission, telecommunication or other purposes. By acceptance of a deed for a Unit, a Unit Owner shall be deemed to have consented to the transmission of such signals over or through the Building, Unit or other portion of the Property.

(xiii) Procuring and maintaining insurance for the Property, pursuant to the provisions of Article 6 hereof.

(xiv) Making ordinary repairs, restorations, additions and improvements to or alterations of the General Common Elements and making repairs to and restoration of the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(xv) Borrowing money and thereby incurring debt on behalf of the Condominium in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations, improvements or additions to or alterations of, the Common Elements, working capital, bad debts and unpaid Common Charges, depreciation, obsolescence or similar purposes, or otherwise in connection with any permitted action or activity of the Board. However, (a) the consent of Unit Owners representing a majority in number and Common Interest authorized to vote and present in person or by proxy and voting at a meeting duly called and held for such purpose in accordance with the provisions of these By-laws, shall be required for the borrowing of any sum in excess of $200,000 in any one fiscal year (regardless of the balance of loans outstanding from previous years) and (b) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant Common Interest without the consent of the Owner of the Unit so affected, subject to the provisions of subparagraph (xvi) below. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (xv) or elsewhere in these By-laws is not repaid by the Board, a Unit Owner who pays to the creditor such Unit Owner's proportionate share of the sum based on such Unit Owner's Common Interest, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit. The

foregoing sentence shall be deemed incorporated into each and every loan agreement or promissory note entered into or made by the Board of Managers pursuant to the authority granted it in the Condominium Instruments.

(xvi) In addition, in connection with a debt incurred by it pursuant to the foregoing paragraph, the Board of Managers, on behalf of the Unit Owners, may (a) assign to the lender its and/or their rights in and to future Common Charges, (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that the Board holds, (c) agree that, to the extent of any amounts due under any provisions of the agreements pursuant to which the debt was incurred, and subject to the provisions of Section 339-l of the Condominium Act, all Common Charges received and to be received by the Board of Managers, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and such funds 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 the Board will increase Common Charges to the extent necessary to pay any amount when due under any of the provisions of the agreements pursuant to which the debt was incurred. The foregoing sentence shall not be construed to authorize the Board of Managers to create a lien on any Common Elements. Any such assignment may provide, subject to the provisions of subparagraph (xv) above, that in the event of a default, the lender shall have the right of the Board of Managers to file liens in the lender's name on Units for unpaid General Common Charges in accordance with these By-laws and Section 339-z and 339-aa of the Condominium Act, and to foreclose such liens pursuant to Section 339-aa of the Condominium Act and pursuant to these By-laws.

(xvii) Levying fines or taking other action against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property. Fines shall be considered Common Charges payable by the Unit Owner against whom they are assessed.

(xviii) Adjusting and settling claims under insurance policies obtained pursuant to Article 6 hereof, and executing and delivering releases upon settlement of such claims on behalf of all Unit Owners.

(xix) Execution, acknowledgment and delivery of (a) any declaration or other instrument affecting the Property, or any amendment to these By-laws or the Declaration, which the Board of Managers deems appropriate or necessary 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 Property, or (b) any consent, covenant, restriction, easement or declaration, or any amendment to these By-laws or the Declaration, affecting the Property which the Board of Managers deems necessary or appropriate.

(xx) 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 Condominium 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.

(xxi) Execution, acknowledgment and delivery of any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units as agent for each Unit Owner who has given appropriate written authorization (and to retain counsel in connection therewith on behalf of all such Unit Owners), provided that each such Unit Owner indemnifies the Board of Managers from and against all

claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

(xxii) Determining to license or lease portions of the Common Elements for use by Unit Owners as storage areas, to charge a fee for such use, to treat such fee as an assessment by the Board and to enter into a license or lease agreement with any Unit Owner desiring to use such space, setting forth the terms and conditions of the usage.

(xxiii) Overseeing compliance by Unit Owners and the Condominium generally, with applicable law and regulation, including without limitation, lot line window requirements.

(b) Limitations During Period of Declarant Control. Notwithstanding anything to the contrary contained in these By-laws, until Declarant or its designee conveys title to all Units offered pursuant to the Offering Plan, but for no longer than a period ending on the sooner of (i) five (5) years after the date of the First Unit Closing under the Offering Plan or (ii) the date as of which Units owned by Declarant or its designee comprise less than 25% in Common Interest (such period referred to as the **"Sponsor Control Period"**), the Board of Managers may not, without the prior written consent of Declarant and its designee(s), (1) make or permit to be made any addition, alteration or improvement to the General Common Elements or Limited Common Elements or to any Units owned by Declarant, or (2) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (however, Declarant will not unreasonably withhold consent to additions to any contingency reserve provided for in Schedule B to the Offering Plan to the extent the aggregate amount of said reserve does not in any one fiscal year of the Condominium exceed 3% of the operating expenses of the Condominium for that year), or (3) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent the existing reserves are insufficient), or (4) amend the Declaration or By-laws so as to affect Declarant and/or its designees adversely in any way, or (5) increase the number of employees from those described in Schedule B to the Offering Plan. Declarant's consent to the foregoing shall not be withheld for expenses required (a) to comply with applicable law or regulations, (b) to remedy any violation which it is the responsibility of the Board of Managers to cure, or (c) to remedy any work order of an insurer. Subject to the foregoing, Declarant and its designee shall have the right to withhold its consent to any of the foregoing actions.

Section 2.6. Managing Agent and Manager. The Board of Managers may employ for management of the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the manager or managing agent, among other things, the power in subdivision a(vi) of Section 2.5 of these By-laws, provided that the Board retains the power to designate the signatories on any account opened pursuant thereto, and may delegate such other tasks as hiring and firing employees, obtaining insurance policies, forming corporations and entering into contracts and leases for services and repairs to Common Elements, provided the Board retains the right to consent to the action or contract prior to execution of the task or contract.

Section 2.7. Organizational Meeting. The first meeting of the Board of Managers following each annual meeting of the Unit Owners shall be held either immediately following the adjournment of the annual meeting or within ten (10) days thereafter at such time and place as shall be fixed by a majority of the members of the Board of Managers and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, provided a majority of the whole Board of Managers was present at the time the date was selected, or is present at the meeting itself.

Section 2.8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least eight (8) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, personally or by mail, telephone or telegraph, at least three (3) business days prior to the day named for such meeting.

Section 2.9. Special Meetings. Special meetings of the Board of Managers may be called by the President on not less than three (3) business days' notice to each member of the Board of Managers, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers also shall be called by the President or Secretary (in like manner and on like notice), on the written request of at least three (3) members of the Board of Managers.

Section 2.10. Waiver of Notice; Telephone Participation.

(a) Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof.

(b) Any one or more members of the Board of Managers may participate in a meeting of the Board or other committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

(c) If members representing a quorum of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 2.11. Quorums, Determinations and Adjournments.

(a) Except as otherwise set forth in these By-laws, all determinations of the Board of Managers shall be made at a meeting of the Board at which a quorum is present. At all meetings of the Board of Managers the presence of a majority of the members thereof shall constitute a quorum for the transaction of business. The vote of a majority of the members of the Board of Managers present at a Board meeting at which a quorum is established, shall constitute the decision of the Board of Managers.

(b) If at any meeting of the Board of Managers there shall be less than a valid quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjournment meeting at which a valid quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

(c) Any action required or permitted to be taken by the Board of Managers or any committee thereof, may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

Section 2.12. Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds for all members of the Board of Managers and employees of the Condominium and of the managing agent handling or responsible for Condominium funds. The premiums on such bonds shall constitute a Common Expense.

Section 2.13. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such unless the Unit Owners amend these By-laws to provide otherwise. However, these By-laws shall not be amended to provide otherwise while Declarant or its designee controls the Board.

Section 2.14. Liability of the Board of Managers and Officers of the Condominium.

(a) The members and officers of the Board of Managers shall not be liable to the Unit Owners except for their own individual willful misconduct or bad faith actions or bad faith failures to act. The Unit Owners shall indemnify and hold harmless each of the members and officers of the Board of Managers against all loss, damage or liability that a Board member or officer of the Condominium incurs arising from his or her acts as, or by reason of the fact that such person was, a member of the Board of Managers, or an officer of the Condominium, as applicable, except with respect to liability arising from willful misconduct, bad faith actions or bad faith failures to act.

(b) Members of the Board of Managers shall have no personal liability with respect to any contract made by them as the Board of Managers within the scope of their authority or believed by them in good faith to be within the scope of their authority. The liability of any Unit Owner arising out of any contract made by the Board of Managers, or out of the aforesaid indemnity in favor of the members of the Board of Managers, shall be limited to the Unit Owner's proportionate share of the total liability based on the Unit Owner's Common Interest.

(c) Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium, shall provide or be deemed to provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, if applicable), and that any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability thereunder as computed in accordance with said Unit Owner's Common Interest.

Section 2.15. Executive Committees. The Board of Managers may, by resolution duly adopted, meet as an Executive Committee. As long as Declarant and/or its designee have the right to appoint a majority of the members of the Board of Managers, Declarant and/or its designee shall have the right to appoint a majority of the members of the Executive Committee. In addition, so long as Declarant and/or its designee shall have the right to designate a member of the Board of Managers, Declarant and/or its designee shall be entitled to appoint at least one member of the Executive Committee. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Charges and Common Expenses required for the affairs of the Condominium, (b) to adopt or amend the Rules and Regulations, or (c) to exercise any of the powers set forth in subdivisions (vii), (viii), (x), (xi), (xv), (xvi), (xviii), (xix), (xx) and (xxi) of Section 2.5(a) of these By-laws.

Section 2.16. Other Committees. The Board of Managers may by resolution create such other committees as they shall deem appropriate and such committees shall each consist of at least two members of the Board and shall each have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be appointed by Declarant or its designee (unless Declarant or its designee waives this right), so long as Declarant or its designee has the right to appoint a member of the Board of Managers, shall be appointed by the President of the Condominium. Such committee shall not have the power to do any act which the Executive Committee may not do under Section 2.15 of these By-laws.

Section 2.17. Rules and Regulations. Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended from time to time by the Board of Managers provided that copies are furnished to each Unit Owner not less than 5 days prior to the time that they become effective. Any rule or regulation may be rescinded by vote of a majority of the Unit Owners at a meeting duly called for that purpose. ***The initial Rules and Regulations are attached as Exhibit A to these By-Laws for convenience, and are not thereby made part of these By-Laws.*** The Rules and Regulations may thus be expanded or otherwise modified by the Board of Managers in the ordinary course of business, without the formality of amending the By-laws. Each Unit Owner must comply strictly with the By-laws and the Rules and Regulations, and the resolutions and decisions adopted pursuant thereto. Failure to comply with any of same shall be grounds for action to recover sums due, for damages or injunctive relief, or both, by the Board of Managers, or in a proper case, by an aggrieved United Owner. In the case of repeated or flagrant violations, the Board may ask the offending Unit Owner for sufficient surety for future compliance.

ARTICLE 3

UNIT OWNERS

Section 3.1. Annual Meetings.

(a) Within approximately 90 days after the earlier of (i) conveyance of title by Declarant to 50% of the Residential Units offered for sale under the Offering Plan, or (ii) the second annual anniversary date of the First Unit Closing under the Offering Plan, Declarant shall call and conduct the first annual meeting of the Unit Owners. Declarant reserves the right, however, to call the first annual meeting at such earlier date as Declarant shall in its discretion select. Thereafter, annual meetings of the Unit Owners shall be held within approximately three weeks of the anniversary of the first annual meeting.

(b) At all annual meetings members of the Board of Managers shall be appointed or elected by voice vote or by ballot of the Unit Owners in accordance with the requirements of Article 2 of these By-laws.

(c) Subject to the provisions of Article 2 above, so long as Declarant or its designee owns (i) Units representing at least 25% in Common Interest, Declarant or its designee shall have the right, but not the obligation, to appoint a majority of the Board of Managers, (ii) Units representing less than 25% but at least 10% in Common Interest, Declarant or its designee shall have the right to appoint two (2) members of the Board of Managers, and (iii) Units representing less than 10% in Common Interest but at least one Unit, Declarant and/or its designee shall have the right to appoint one (1) member of the Board of Managers. All other members of the Board of Managers

shall be elected by the Unit Owners including Declarant and/or its designee. The Unit Owners may transact such other business at annual meetings as may properly come before them.

Section 3.2. Place of Meetings. Meetings of Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3.3. Special Meetings. It shall be the duty of the President of the Board of Managers to call a special meeting of all Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by not less than 25% in Common Interest, in the aggregate, of all Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 3.4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners at least ten but not more than forty days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the Property or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-laws, the notice of meeting shall be mailed at least fifteen days prior to such meeting and the notice shall be accompanied by the text of the proposed amendment. The mailing of a notice of meeting by regular mail or by certified mail return receipt requested in the manner provided in this Section shall be considered service of notice.

Section 3.5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than three (3) business days from the date the original meeting was scheduled. Notice of the date, time and location of the adjournment meeting shall be given to each Unit Owner in writing by mail, telegraph or personal delivery, at least three business days prior to the date of the adjournment meeting. At any such adjournment 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.

Section 3.6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

(a) Roll call.

(b) Proof of notice of meeting.

(c) Reading of minutes of preceding meeting.

(d) Reports of officers.

(e) Report of Board of Managers.

(f) Reports of committees.

(g) Election of inspectors of election (when so requested).

(h) Election of members of the Board of Managers (when so required).

(i) Unfinished business.

(j) New business.

Section 3.7. Voting.

(a) Each Unit Owner (except the Board of Managers or its designee voting at a meeting to elect members of the Board of Managers but including Declarant and its designee(s) with respect to each Unit they own), shall be entitled to cast one vote either in person or by proxy for each Unit owned by that Owner, for each item voted upon at each meeting of all Unit Owners. Accordingly, the total number of votes that may be cast at meetings of all Unit Owners is 14.

(b) Each Unit Owner or a party designated by the Unit Owner to act as proxy on the Unit Owner's behalf, shall be entitled to cast the vote attributable to said Unit Owner's Unit at meetings of Unit Owners. Those owning a Unit jointly or in common must act unanimously and may not cast more than one vote for the Unit.

(c) Elections of members of the Board of Managers shall be by plurality vote. At all elections for members of the Board of Managers a Unit Owner may cast the votes attributable to said Unit Owner's Units for each manager to be elected. Thus, if three managers are to be elected by the Unit Owners, the vote may be cast three times (i.e. one time each for three different candidates). In no event can the votes be split, cumulated or cast together for one or more of the managers to be elected.

Section 3.8. Proxies. Each Unit Owner shall be entitled to vote by proxy at any meeting of Unit Owners. The designation of any such proxy shall be in writing and shall be filed with the Secretary at or prior to the meeting in which the same is to be used. Such proxy shall be valid only for such meeting or subsequent adjournment meetings thereof. Such proxy shall, however, be revocable at any time (i) by written notice to the Secretary by the Owner(s) who designated the proxy, or (ii) by verbal notice given in person to the Secretary. A notation of such proxy(ies) shall be made in the minutes of the meeting. If a Unit is owned jointly or otherwise in common, the co-owner who is present must hold a proxy for each co-owner not present at the meeting where the proxy is to be used. Alternatively, one single proxy holder holding the proxies of all co-owners (who need not be a co-owner himself or herself), may vote the votes appurtenant to said Unit at the meeting. The holder of a Unit Owner's proxy need not be a Unit Owner.

Section 3.9. Majority of Unit Owners. As used in these By-laws the term "majority of Unit Owners" shall mean those Owners of Units representing more than 50% of the total authorized votes of all Unit Owners. In all cases, such majority must be present in person or by proxy and voting in favor of one position at any meeting of the Unit Owners in accordance with the provisions of Section 3.7 of these By-laws in order to constitute a valid vote of a majority of the Unit Owners, when such vote is required.

Section 3.10. Quorum. Except as otherwise provided in these By-laws, the presence in person or by proxy of Unit Owners representing 50% of the total authorized votes of all Unit Owners shall constitute a quorum at meetings of the Unit Owners.

Section 3.11. Binding Nature of Majority Vote. Except where otherwise provided by law, the Declaration or these By-laws, at all meetings of all Unit Owners the vote of a majority of Unit Owners present in person or by proxy at a meeting at which a quorum is established, shall be binding on all Unit Owners for all purposes.

Section 3.12. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-laws or applicable law consents in writing to the adoption of a resolution authorizing such action and the writing is filed with the records of the Condominium.

ARTICLE 4

OFFICERS

Section 4.1. Designation and Qualification. The principal officers of the Condominium shall be the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. All officers except the Secretary must satisfy the standards to be a Board member contained in Section 2.1 of these By-laws. The Secretary may be a Unit Owner, or Spouse of a Unit Owner, or an employee of the Managing Agent, but in any event need not be a member of the Board of Managers. The Board of Managers may appoint such other officers as in its judgment may be necessary.

Section 4.2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organizational meeting of each new Board of Managers, and shall hold office at the pleasure of the Board of Managers.

Section 4.3. Removal, Resignation and Other Vacancies.

(a) Any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose, provided notice of the proposed removal was given to the officer and in the notice of the meeting. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting.

(b) Officers may resign at any time by giving notice in writing to the Board. Unless stated otherwise in the letter of resignation, the resignation shall be effective immediately.

(c) Vacant offices caused by removal, resignation, death or otherwise, shall be promptly filled by vote of the Board of Managers.

Section 4.4. President. The President of the Condominium shall be the chief executive officer of the Condominium. He or she shall preside at all meetings of Unit Owners and of the Board of Managers. The President shall have all of the general powers and duties as would be 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 the Unit Owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 4.5. Vice-President. The Vice-President shall take the place of the President and perform the President's duties as either head of the Condominium whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Managers or by the President.

Section 4.6. Secretary. The Secretary of the Condominium shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers. The Secretary shall have charge of such books and papers as the Board of Managers may direct. He or she shall, in general, perform all the duties as would typically be performed by a secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 4.7. Treasurer. The Treasurer of the Condominium shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements. The Treasurer shall be responsible for the preparation of all required financial data, for the deposit of all moneys and other valuable effects in the name of the Board of Managers or the Managing Agent, as applicable, in such depositories as may from time to time be designated by the Board of Managers. He or she shall, in general, perform all the duties as would typically be performed by a treasurer of a stock corporation organized under the Business Corporation Law of the State of New York. Notwithstanding anything in the foregoing discussion to the contrary, the Board of Managers shall have the right to engage accountants, bookkeepers and other appropriate professionals to perform one or more of the tasks described as the Treasurer's responsibility in this Section 4.7. In the event such professional is engaged, it shall be the Treasurer's responsibility to oversee and examine the work performed by the professional, to ensure accuracy, timeliness and complete performance.

Section 4.8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two officers of the Condominium or by such other two (or more) persons as may be designated by the Board of Managers.

Section 4.9. Compensation of Officers. No officer shall receive compensation from the Condominium for acting as such, unless the Unit Owners amend these By-laws to provide otherwise. These By-laws may not be so amended while Declarant or its designee owns at least one Unit, without the consent of Declarant and its designee(s).

ARTICLE 5

COMMON EXPENSES, CHARGES AND ASSESSMENTS DETERMINATION, PAYMENT, COLLECTION AND ACCOUNTS

Section 5.1. Determination of Common Expenses and Fixing of Common Charges; Special Assessments.

(a) (i) The Board of Managers shall from time to time, and at least annually, prepare a budget to meet the Common Expenses of the Condominium and determine the amount of Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium. Generally, Common Expenses will be allocated on the basis of Common Interest, but the Board shall

have the right to allocate Common Expenses based on the estimated amount, if any, by which a particular expense item benefits or is used by a class of Units, provided the allocation is fairly attributable to the class of Units, and reasonable under the circumstances. Insurance costs, however, generally shall be allocated on the basis of Common Interest, subject to the Board's right to allocate this cost differently in accordance with these By-laws and the Condominium Act.

(ii) The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges payable by each of them and shall furnish copies of each budget on which such Common Charges are based to all Unit Owners, at least ten (10) days prior to the adoption thereof. That portion of the Common Charges which is allocated by the Board of Managers to principal payments on indebtedness or for capital improvements shall be treated upon the books of the Condominium as capital contributions.

(b) If the Board of Managers determines to commence collection of Common Charges as of the date of the First Unit Closing, Declarant or its designee shall be responsible for all Common Charges assessed against each Unit owned by it from the date of the First Unit Closing, until such Unit is sold or otherwise conveyed to a purchaser. However, the Board in its sole discretion shall have the right to waive Unit Owners' obligations to pay Common Charges for a period of time determined by the Board, and accordingly to commence collection of Common Charges at a later date than the date of the First Unit Closing, provided, however, that Declarant pays the balance of the basic operating costs of the Condominium (exclusive of reserves) remaining after application of the Condominium's Working Capital Fund (as described in the Offering Plan) to pay those expenses, during this period. Declarant shall become responsible for all Common Charges assessed against Units owned by it only from and after the date the Board determines to commence collection of Common Charges.

(c) (i) The Common Expenses shall include, among other things, and without limitation, the cost of insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of these By-laws. The Common Expenses may also include such amounts as the Board of Managers may deem proper for repairs, reserves, replacements, improvements, betterments, maintenance and other operating expenses of the Property, including, without limitation, an amount for working capital, for a general operating reserve, for a reserve fund for replacement, and an amount to cover any deficit in the Common Charges collected for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit which is to be sold at a foreclosure or other judicial sale or otherwise to be acquired by the Board of Managers. Common Expenses shall also include other items stated in the Declaration or these By-laws to be Common Expenses.

(ii) In the event of casualty to the Common Elements, the Board may levy and assess as a Special Assessment an amount estimated to be needed to repair or restore the Common Elements, prior to receipt of anticipated insurance proceeds. Upon receipt of insurance proceeds, if any, the Board will reimburse Unit Owners the amount they paid as a Special Assessment, or such lesser amount as shall be necessary to compensate for receipt of insurance proceeds in an amount less than the amount needed to cover the cost of repair or restoration. In addition, to the extent insufficient insurance proceeds are received to cover the actual cost of repair or restoration, or if no insurance proceeds are received, the Board may levy and assess as a Special Assessment the amount needed to cover such shortfall in (or lack of) insurance proceeds, necessary for the repair or restoration.

(d) Assessments other than and in addition to Common Charges, shall be levied against and paid by Unit Owners in the same manner as provided in these By-laws for Common Charges. Failure to pay any such Special Assessments shall be treated in the same manner as failure to pay Common Charges.

(e) The Board of Managers shall have the authority to enter into a license agreement with a Unit Owner for storage space in the cellar, upon such terms and conditions as the Board of Managers shall in its discretion determine. Any license fee payable in connection with such license agreement shall be deemed a Special Assessment, the non-payment of which shall be treated in the same manner as the non-payment of any assessment or Common Charges.

Section 5.2. Accounts. The receipts and expenditures of the Condominium shall be Common Charges and Common Expenses, respectively, and shall be credited and charged to accounts deemed by the Board to be reasonably necessary for the prudent operation of the Property.

Section 5.3. Reserves.

(a) The Board shall not be obligated to expend all the revenues collected in any one accounting period. The Board may maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies of bad weather or uncollected accounts.

(b) The Board shall not be obligated to segregate physically the funds held in such reserve accounts but may, in its sole discretion, maintain the funds in one or more consolidated accounts.

Section 5.4. Payment of Common Charges and Assessments; Liability of Grantee and Grantor After Transfer of Unit.

(a) Unit Owners shall be obligated to pay Common Charges and other assessments at such time or times (but not less than monthly) as the Board of Managers shall determine. Unless otherwise determined, all Common Charges shall be payable monthly, in advance, on the first day of each month.

(b) Dissatisfaction with the quantity or quality of maintenance or services furnished to the Property shall not be grounds for withholding or failure to pay Common Charges or any other assessments. Likewise, no Unit Owner shall deem itself or be deemed by the Board of Managers or any committee thereof, to be exempt from the obligation to pay Common Charges or other assessments for any reason, including without limitation, waiver of use or enjoyment of the Common Element, abandonment of Unit Owner's Unit, or by claiming the quantity or quality of services are not worthy of such payment or are not as were expected by such Owner at the time of acquisition of the Unit or at any other time.

(c) No Unit Owner shall be liable for the payment of Common Charges or other assessments assessed against such Owner's Unit from and after the date of sale, transfer or other conveyance of the Unit made by such Unit Owner in accordance with the Declaration and these By-laws, and applicable only to the period subsequent to the sale, transfer or other conveyance.

(d) The grantee of a Unit shall be jointly and severally liable with grantor for unpaid Common Charges and other assessments assessed against such Unit and due up to the date of

conveyance, without prejudice to the grantee's right to recover from the grantor any amounts paid by the grantee therefor. Accordingly, a purchaser acquiring title through an arms-length transaction or as a gift or donation, a mortgagee or other party acquiring title to a Unit through foreclosure or by deed in lieu of foreclosure, a creditor of a Unit Owner acquiring title to a Unit through a sale or other proceeding arising out of the bankruptcy of a Unit Owner, or any other grantee whatsoever, shall be liable for the payment of Common Charges and other assessments assessed against that Unit prior to that party's acquisition of the Unit. Accordingly, a Unit shall, upon transfer, always be subject to a lien for unpaid Common Charges that were assessed against the Unit and due and payable prior to the transfer.

(e) Any party acquiring a Unit through foreclosure or by deed in lieu of foreclosure, through a Unit Owner's bankruptcy or liquidation, through purchase, gift or donation, or through any other means, shall be liable for all Common Charges and assessments assessed against the Unit for the period on and after, and due from and after, the date of that party's acquisition of title to the Unit.

(f) If a petition in bankruptcy is filed by or against a Unit Owner, or if a trustee, receiver or similar official is appointed to administer a Unit Owner's assets, the Unit Owner, trustee, receiver or other official shall remain obligated to pay, and the Unit shall continue to be subject to, Common Charges and assessments for the entire duration of any bankruptcy or other reorganization proceeding.

Section 5.5. Default in Payment of Common Charges and Assessments.

(a) If any Common Charge or other assessment imposed by the Board of Managers, or any installment thereof, is not paid by the due date, then such payment shall be deemed delinquent, and the Unit Owner shall be in default under these By-laws for such non-payment.

(b) The Board of Managers shall impose a late charge in the amount of not less than 2% of the overdue payment, or such other amount as the Board deems reasonable, provided such late charges are uniformly applied, with respect to Common Charges or other assessments not paid within 10 days after the due date.

(c) In addition to late charges, if the Common Charge or assessment (or installment thereof with respect to any assessment payable in installments), is not paid within thirty (30) days after the due date, then (i) such Common Charge or assessment shall bear interest from the due date in the amount of not less than 2% over the prime rate then announced by JP Morgan Chase (or its successor, if applicable), but in no event more than the highest legal rate, (ii) the Board may accelerate the remaining installments of any assessment payable in installments, and (iii) the Board may bring legal action against the delinquent Unit Owner, foreclose the lien on such Unit granted under these By-laws and/or by the Condominium Act, or otherwise seek to recover the amounts due to the Condominium. The expenses, including without limitation, attorneys' fees and disbursements, incurred by the Board in any proceeding brought to collect such unpaid Common Charges or assessments, shall be added to the amount of such delinquent Common Charge, assessment or installment thereof, together with late charges and interest.

(d) Any amounts collected on account of past due Common Charges or other assessments through foreclosure or otherwise, shall be applied in the following order: attorneys' fees

and disbursements, other costs of collection, interest, late charges and Common Charges or assessments, beginning with the Common Charge or assessment due for the longest period.

Section 5.6. Collection of Common Charges and Assessments. The Board of Managers shall take prompt action to collect any Common Charge and/or other assessment previously imposed by the Board which remains unpaid for more than 30 days from the due date for payment thereof.

Section 5.7. Unpaid Common Charges and Assessments; Personal Obligation of Unit Owner and Lien on Unit. All sums assessed as Common Charges by the Board of Managers, as well as any other assessments made by the Board of Managers, but unpaid, together with late charges as may be established by the Board of Managers, interest thereon at such rate as may be fixed by the Board of Managers, and reasonable attorneys' fees and other costs and expenses incurred in efforts to collect such past due Common Charges and/or other assessments, shall be the personal obligation of the Unit Owner. Such sums shall constitute a lien upon the Unit prior to all other liens except (i) any lien for past due and unpaid real estate taxes, and (ii) any lien for sums unpaid on a first mortgage of record against that Unit.

Section 5.8. Foreclosure of Lien for Common Charges and Assessments; Liability of Grantee in Foreclosure.

(a) Any lien for past due Common Charges and/or other assessments may be foreclosed by the Board of Managers in accordance with the laws of the State of New York, in like manner as a mortgage on real property, and the Board of Managers shall also have the right to recover all costs incurred in foreclosing on such lien, including but not limited to reasonable attorney's fees and disbursements, as set forth in these By-laws.

(b) Notwithstanding anything to the contrary in these By-laws or in the Declaration, once an action to foreclose a lien for Common Charges or other assessments is commenced, if the Owner of the Unit being foreclosed has not previously been deemed to have resigned from the Board of Managers (or any Committee thereof), if indeed she or he was a member, her or his membership on the Board or Committee shall be deemed terminated.

(c) In the event the proceeds of any foreclosure sale for non-payment of Common Charges or other assessments are not sufficient to pay such unpaid Common Charges, assessments and related expenses, the Board of Managers shall commence an action for the deficiency (if not yet commenced) against the Unit Owner who had failed to pay the Common Charges or other assessments. Following suit for a deficiency judgment, if the amounts collected are insufficient to pay outstanding costs, the remaining balance may be charged to Unit Owners as a Common Expense.

Section 5.9. Proceedings to Foreclose Common Charge Liens or Otherwise Collect Unpaid Common Charges and Assessments; Unit Rentals.

(a) In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges or other assessments, the Unit Owner shall be required to pay a reasonable rental for the use of said Unit Owner's Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same.

(b) The Board of Managers acting on behalf of all Unit Owners shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to (other than for the election of members of the Board of Managers), convey or otherwise deal with the same.

(c) A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing, filing or waiving the lien securing the same, and foreclosure may be maintained despite the pendency of a suit to recover a money judgment.

Section 5.10. Statement of Monies Owed. Upon the written request of a Unit Owner, lessee or Mortgagee with respect to the Unit owned by such Owner, leased by such lessee or upon which such Mortgagee holds a mortgage, or any prospective purchaser, lessee, mortgagee or title insurer of such Unit, the Board of Managers, acting through the manager or the managing agent, shall promptly furnish a certificate in writing setting forth with respect to such Unit as of the date of such certificate, (i) whether or not the Common Charges due have been paid, (ii) the amount of such Common Charges, including interest and costs, if any, due and payable, and (iii) whether any other amounts or charges are owing to the Condominium, e.g., for the cost of extinguishing a violation of the Declaration, By-laws or Rules and Regulations. A reasonable charge, as determined by the Board of Managers, as and when applicable, may be made for the issuance of this certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Board of Managers and any bona fide purchaser or lessee of, or lender on, or title insurer of, the Unit with respect to which the request was made.

ARTICLE 6

INSURANCE

Section 6.1. Generally.

(a) The Board of Managers shall be required to obtain and maintain (i) all-risk casualty coverage insuring the Common Elements and (ii) liability insurance.

(b) (i) The all-risk policy shall cover the interests of the Board of Managers and all Unit Owners and Permitted Mortgagees, as their interests may appear. Coverage shall be for the full replacement value of the Common Elements without deduction for depreciation (and in any event in an amount sufficient to prevent the Board of Managers from becoming a co-insurer). The Board of Managers shall review the amount of such insurance annually.

(ii) The all-risk policy shall contain, among other provisions, a waiver by the insurer of any right to claim by way of subrogation against Unit Owners, Permitted Mortgagees, the Board of Managers and members of the Board of Managers, and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured. It shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to all of the insureds, including all Permitted Mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Permitted Mortgagees of Units upon their written request therefor, and their payment of the cost of obtaining copies.

(c) The Board of Managers shall also be required to obtain and maintain, to the extent obtainable and/or to the extent required by law (i) fidelity insurance covering all employees of both the Condominium and managing agent who handle Condominium funds, (ii) workers' compensation insurance, (iii) rent insurance in an amount equal to at least the annual aggregate of the Common Charges payable to the Board of Managers, and (iv) public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, and each Unit Owner and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements. Such general liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits once each year.

(d) The Board of Managers shall have the right, pursuant to § 339-bb of the Condominium Act, to charge a Unit Owner a higher amount of the Condominium's insurance expense than said Owner's Common Interest would otherwise dictate, should the cost of the Condominium's insurance premium be based in part, specifically on the use to which the Unit in question is put. However, while a Residential Unit is used as a residence by a Unit Owner and/or a Unit Owner's family (or by a tenant and the family of tenant), the Board shall not be entitled to allocate a higher portion of insurance costs to that Unit than the Unit's Common Interest dictates.

(e) Each Unit Owner is required to carry, at Unit Owner's own expense, (i) casualty insurance covering all fixtures (i.e., cabinets that are built-in or attached to the wall, appliances, plumbing and electrical fixtures, bathroom vanities that are built-in or attached to the wall etc.), equipment and personal property within their Units and any Limited Common Elements appurtenant thereto in the event of damage thereto arising out of fire or other casualty, and (ii) liability insurance with respect to occurrences in their Units and/or in any Limited Common Elements appurtenant thereto. Each such policy shall contain a waiver by the insurer of the right to claim by way of subrogation against the Board of Managers, members thereof and other Unit Owners, and shall provide that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of such insurance carried by the Unit Owner.

(f) A current copy of each Unit Owner's insurance policy must be maintained by the Unit Owner with the Board of Managers at all times.

Section 6.2. Repair or Reconstruction After Fire or Other Casualty.

(a) In the event the Property or any part thereof is damaged by fire or other casualty, the net insurance proceeds payable under insurance policies held by the Board of Managers shall be paid to the Board of Managers if same shall be $50,000 or less in the aggregate, or to an Insurance Trustee engaged by the Board of Managers for that purpose, if same exceeds $50,000 in the aggregate. In both instances the proceeds shall be held in trust for the benefit of the Unit Owners and their Permitted Mortgagees. The $50,000 limit in this Section 6.2(a) shall automatically increase each calendar year by 5% over the limit of the previous year.

(b) In the event of such damage to the Property by fire or other casualty, the Board of Managers shall promptly cause the Property (excluding, however, appliances, fixtures or improvements that belong to and/or were installed by a Unit Owner or a tenant of Unit, and excluding any furnishings, decorations or other personal property supplied or installed by a Unit Owner or a tenant of a Unit) to be repaired and/or restored as nearly as practicable to the condition and utility it was in before the casualty, using the proceeds of casualty insurance on the Property

maintained by the Board of Managers and/or other Condominium funds or the proceeds of Special Assessments against Unit Owners, for that purpose, subject to the following conditions and subject to the provisions of Section 6.4 of these By-laws:

(i) if the cost of repair and reconstruction is $200,000 or less, the Board may and shall perform and complete the repair and reconstruction promptly, without the consent of any Unit Owner or any other party; and

(ii) if the cost of repair and reconstruction is more than $200,000 and if insurance proceeds will cover less than 90% of the cost of repair and reconstruction, the Board may not proceed with the repair and reconstruction without the consent of Unit Owners representing in the aggregate at least 66⅔% in Common Interest. Notwithstanding the foregoing, no consent of Unit Owners or any other party shall be required for the Board of Managers to undertake repair and reconstruction where insurance proceeds will cover at least 90% of the cost of repair and reconstruction. In addition, no consent of Unit Owners or any other party shall be required for the Board of Managers to undertake repair or reconstruction necessary to cause the Property to be in compliance with applicable codes, regulations and ordinances, provided the cost of same does not exceed $1,000,000 in the aggregate. If the cost to perform repair and reconstruction work sufficient to cause the Property to be in compliance with applicable codes, regulations and ordinances exceeds $1,000,000 in the aggregate, the Board may not proceed with such repair and reconstruction without the consent of Unit Owners representing in the aggregate at least 66⅔% in Common Interest.

(c) When and if the Board of Managers is authorized or otherwise required to proceed with repair and reconstruction, the Board of Managers shall arrange for and commence such work promptly, shall diligently prosecute same to completion, and the Board of Managers (or Insurance Trustee, as applicable) shall disburse the proceeds of all insurance policies and/or other funds to the contractors engaged in such repair and restoration in appropriate progress payments. The Board may levy and assess as a Special Assessment, prior to receipt of insurance proceeds, the amount anticipated to be necessary to repair or reconstruct the Property. Upon receipt of the proceeds, if any, the Board will reimburse Unit Owners any amounts they paid as special assessments as will not be needed to pay the cost of repair and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of their Common Charges. When applicable, insurance proceeds in excess of those needed for repair and reconstruction of the Property following a casualty, shall be distributed among Unit Owners in proportion to their respective Common Interests.

(d) Damage to or destruction of a Unit or the Limited Common Elements appurtenant thereto, as a result of fire or other casualty, shall promptly be repaired and reconstructed by the Owner of the affected Unit(s) in compliance with all applicable laws and regulations, as nearly as practicable to the Unit's condition and utility before the casualty, using the proceeds of insurance required to be carried by the Unit Owner pursuant to Section 6.1 of these By-laws, or other funds belonging to the Unit Owner. Notwithstanding the preceding sentence, if the damage in question does not affect (i) other Units, (ii) areas generally visible from Common Elements, other Units or streets or sidewalks, (iii) Unit Owners (other than the Owner of the damaged Unit), (iv) or any tenants or other occupants of the Building, then the Unit Owner may elect not to restore the Unit to its condition and utility before the casualty, but shall repair and rebuild the Unit so it does not constitute a hazard to any other Unit Owner or other occupants and users of the Building, and so it does not otherwise adversely affect any other Unit Owners or other occupants or users of the

Building, and does not adversely affect the value, use or operation of any other Units or the Property generally. Any Unit Owner undertaking restoration work pursuant to this provision shall be obligation to coordinate such work through the construction manager or general contractor, should one be engaged by the Board of Managers pursuant to Section 6.5 of these By-laws.

Section 6.3. Unit Owner Failure to Rebuild. If the Unit Owners have not voted to terminate the Condominium as provided in Section 6.4 of these By-laws, and if a Unit Owner fails to comply with the obligations to repair and reconstruct set forth in Section 6.2 of these By-laws, and if the Unit Owner's failure to repair and reconstruct has an adverse effect on any other Unit or the Common Elements (such adverse effect including, without limitation, reduction in value), the Board of Managers may cause the Unit to be repaired and reconstructed in accordance with these By-laws, and the cost in connection therewith shall be charged to the defaulting Unit Owner as a special assessment.

Section 6.4. Termination of Condominium Following Damage or Destruction. If as the result of fire or other casualty, at least 75% of the Property is destroyed or substantially damaged, a special meeting of the Unit Owners shall be called in accordance with these By-laws, at which meeting the Unit Owners shall be asked to decide if the Building should be repaired or reconstructed. The Property shall be repaired and reconstructed unless pursuant to the vote held at that meeting, Unit Owners representing at least 75% in number of Units and in Common Interest affirmatively determine not to proceed with repair or restoration. If Unit Owners representing at least 75% in number of Units and in Common Interest affirmatively determine not to proceed with repair or restoration, then, and in such event, the Property will not be repaired and the Property, or such portion of the Property as shall remain, shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common, in accordance with the provisions of the Condominium Act. The net proceeds of sale, together with the net proceeds of insurance policies maintained by the Board for coverage of the Common Elements, shall be divided by the Board of Managers among and paid to 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 said Owner's Unit, in the order of the priority of such liens.

Section 6.5. Construction Manager and General Contractor. In the event of damage due to fire or other casualty affecting the Common Elements and/or one or more Units where the decision has been made to rebuild, the Board of Managers may engage a reputable and independent construction manager or general contractor to supervise the restoration work required to be done by the Board. The construction manager or general contractor will coordinate the Board's restoration work with the Unit Owner's restoration work, as necessary, so the work and scheduling may proceed expeditiously and efficiently. All such coordination work shall be performed in accordance with good construction practices, without priority or preferences for particular Unit or Unit Owners. The cost of the construction manager or general contractor shall be a Common Expense.

ARTICLE 7

THE CONDOMINIUM PROPERTY
USE, OPERATION, PRESERVATION, MAINTENANCE AND REPAIR

Section 7.1. Maintenance and Repairs Which Are the Responsibility of the Board of Managers.

(a) All painting, decorating, landscaping, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, to the Common Elements whether located inside or outside of the Units, shall be made by the Board of Managers. The cost of such maintenance shall be charged to Unit Owners as a Common Expense (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the expense shall be charged to such Unit Owner as described below).

(b) Sprinklers generally, as well as sprinklers or other fire-protective systems installed in Units with lot line windows, if applicable, shall be the obligation of the Board of Managers to maintain. Unit Owners with Units containing lot line windows protected by sprinklers or otherwise, if any, shall be obligated to provide the Board access for such maintenance and shall in no event enclose the sprinklers. Unit Owners shall at all times treat the sprinklers or other fire-protective system or structure in accordance with applicable law or code.

(c) If there is construction on property abutting the Condominium that necessitates the sealing or other fire-protection of lot line windows in addition to any lot line windows with fire protection installed as of the date of the recording of the Declaration, the Board of Managers shall undertake such work and shall charge the cost of such compliance to all Unit Owners as a Common Expense on the basis of Common Interest. All Unit Owners shall be obligated to cooperate with the Board's responsibility to effectuate such installation.

Section 7.2. Maintenance and Repairs Which Are a Unit Owner's Responsibility.

(a) Except as otherwise provided in the Declaration or By-laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, in or to any Unit (other than to the Common Elements contained therein) shall be made by the Owner of such Unit, at the Unit Owner's sole cost and expense. Each Unit Owner shall be responsible for all damage to any and all other Units and/or to the Common Elements in said Unit Owner's Unit or elsewhere in the Condominium, that said Unit Owner's failure to make necessary repairs or replacements or perform necessary maintenance may engender, or which are caused by said Unit Owner's actions, inactions, negligence, misuse or neglect.

(b) (i) Windows and skylights (including, without limitation, panes, casements and frames) located in or appurtenant to particular Units are considered General Common Elements. However, the interior and exterior surfaces of exterior windows and skylights in or appurtenant to particular Units are to be cleaned by the Unit Owner at the Unit Owner's sole cost and expense. Outside surfaces of windows and skylights must be cleaned from inside a Unit. Broken window or skylight glass or broken window or skylight frames in a Unit shall be replaced by the Unit Owner at the Unit Owner's sole cost and expense, unless the breakage was caused by the Board of Managers in which case replacement shall be by the Board at its sole cost and expense.

(ii) Locks on entrance doors to Residential Units from corridors and doors accessing Residential Units from appurtenant terraces, patios or yards, are part of the Unit. Doors accessing a Unit from a common corridor are Common Elements. All doors that are part of a Unit shall be maintained and repaired by Unit Owners themselves, in accordance with applicable laws, regulations, these By-laws and/or architectural standards established by the Board of Managers. Residential Unit Owners may not alter the doors to their Residential Units, or the number and type of locks on such doors, without the prior consent of the Board of Managers. Each Residential Unit

Owner must always maintain a current set of keys for doors accessing a Residential Unit from a common corridor with the Managing Agent.

(iii) Decking or other protective flooring installed on roof terraces, or on patios or in yards appurtenant to Units as shown on the Tax Lot Drawings, are part of the Unit and thus must be maintained, repaired or replaced, as necessary, by the Owner of the Unit to which same is appurtenant. Unit Owners shall be obligated to keep all drains installed in or on terraces, yards or patios running freely and free and clear of dirt and debris.

(c) Any maintenance, repair or replacement necessary to preserve the appearance and value of the Property made pursuant to Section 7.1 above but which is occasioned by the action, regardless of whether same be a negligent or willful act or omission of (i) a Unit Owner, or (ii) any agent, licensee, contractor, employee, family member, guest or tenant of such Unit Owner, or (iii) an agent, employee, licensee, contractor, family member or guest of the tenant or licensee of such Unit Owner, or (iv) a guest of (1) any member of such Unit Owner's family or (2) any family member or employee of the tenant of such Unit Owner, shall be made at the cost and expense of such Unit Owner. If such maintenance, repair or replacement is undertaken and paid for by the Board of Managers it shall not be regarded as a Common Expense, but rather shall be considered a Special Assessment allocable to the specific Unit and such cost shall be added to that Unit Owner's Common Charges and, as part of those Common Charges, shall constitute a lien on the Unit to secure the payment thereof.

Section 7.3. Quality, Type and Scheduling of Maintenance and Repairs.

(a) All repairs, painting and maintenance, whether made by the Unit Owner, the Board of Managers to any generally visible portion of the Property, shall be carried on in such a manner so as to conform to the materials, style and color of the Unit or Common Element being repaired, painted or otherwise maintained, unless the Board of Managers authorizes a variance from such materials, style and color prior to commencement of the non-conforming repair, painting or maintenance.

(b) Unit Owners and the Board of Managers shall in connection with alteration, maintenance and repair of their respective interests at the Property comply with the Rules and Regulations and schedule their construction and/or maintenance and/or repair work such that (i) no party or its agents or employees unreasonably interferes with the work being done by any other party, its agents or employees at the Property, and (ii) the labor employed by Unit Owners shall be compatible and harmonious with the labor employed by the Board of Managers it being understood that if in the reasonable judgment of the Board of Managers the labor is incompatible, the Unit Owner shall forthwith, upon the request of the Board of Managers withdraw the incompatible laborers.

Section 7.4. Scaffolding. In connection with the rights of Declarant to construct and/or alter Units and Common Elements, Declarant shall have the right to erect and maintain scaffolding, sidewalk bridges or other equipment or facility required by law, regulation, code or ordinance when Declarant is performing such work, even though such scaffolding, sidewalk bridge or other equipment or facility may encroach on another Unit or a Limited Common Element or on the Common Elements. Declarant shall not be liable to any other Unit Owner, or the Board of Managers or to any tenant or licensee of a Unit or Unit Owner, for any damages (including but not limited to interference with business operations) incurred in connection with the foregoing, except for damages

caused by the negligence of Declarant, or any of Declarant's agents or employees. In no event, however, may scaffolding be installed in a manner or location that will prevent access to a Unit (other than a Unit owned by Declarant).

Section 7.5. Violations of Maintenance Obligations. In the event any Unit Owner, after receipt of written notice from the Board of Managers, fails or neglects in any way to perform any obligations with respect to the painting, decorating, maintenance, repair or replacement of said Unit Owner's Unit as provided in this Article 7 or of any Common Element for which such Unit Owner is responsible under the Declaration or these By-laws, the Board of Managers may perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within five days after receiving notice of such default, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Unit Owner's Unit, together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by such Unit Owner to the Board of Managers and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 7.6. Restrictions on Use of Units. 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:

(a) Residential Units may be used only as a residence or for any legal home occupation or other purpose permitted under the certificate of occupancy for the Building, zoning classification for the Property and other applicable laws, regulations and ordinances, except that while Declarant or its designee owns any Unit, it shall have the right to use such Unit for general, leasing and sales office purposes. Residential Units may not be used as dormitory space, or as a "bed and breakfast" or other transient hotel-type use.

(b) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to residents or occupants of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No Owner, tenant or other occupant of a Unit shall do, suffer or permit to be done in any Unit, activities of a pornographic, illegal or unlawful nature. No Owner, tenant or occupant of a Unit shall do, suffer, or permit to be done, anything in any Unit which would impair the soundness or safety of the Building, or which will result in the cancellation of insurance applicable to the Building, or which would be noxious, offensive or hazardous or an interference with the peaceful possession and proper use of any other Unit, or which would require an alteration to any of the Common Elements in order to comply with any applicable law or regulation, or which would otherwise be in violation of law.

(c) No offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the sole expense of the Unit Owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

(d) No Unit Owner (nor any tenants or occupants of a Unit) may use or operate any Unit or any portion thereof, as a so-called "adult book shop" (or any other type of pornography or sex shop or establishment involving nude or semi-nude live performances), or as a theatre for the showing of primarily pornographic movies, or as a "head shop" (or any other type of establishment for the sale of illegal drugs and/or drug-related paraphernalia or equipment).

(e) No Unit Owner (nor any tenants or occupants of a Unit) may use or allow the Unit or any portion thereof, to be used for any type of display, exhibition, performance, or production that by vote of a majority of the Unit Owners is obscene, pornographic or similarly disreputable, or in any way could injure the reputation or image of the Condominium. The following types of activities shall automatically be prohibited without any vote of the Unit Owners: go-go dancing, erotic dancing (clothed or unclothed, by male or female dancers), mud-wrestling, wet t-shirt contests or bathing suit contests.

(f) No portion of a Residential Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated therein.

(g) A Unit Owner shall not at any time use or occupy or suffer or permit anyone to use or occupy said Owner's Unit or do anything in said Owner's Unit or the Building, or suffer or permit anything to be done in said Owner's Unit or the Building, in violation of any temporary or permanent certificate of occupancy issued for the Unit and/or the Building, and in the event that any department of the City or State of New York shall at any time contend and/or declare by notice, violation, order or in any other manner whatsoever that the Owner's Unit is used for a purpose which is a violation of such certificate of occupancy, the Unit Owner shall, upon ten (10) days' written notice from the Board of Managers, immediately discontinue such use of the Unit.

(h) A Residential Unit owned or leased by an individual(s), corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments), may only be occupied or used as a residence (and for permitted home occupations) by said individual(s), or an officer, director, stockholder, member or employee of such corporation or limited liability company, or a partner or employee of such partnership, or said fiduciary (including directors, officers, stockholders of 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 or guests of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Residential Unit by such family members or guests). Residential Units may not be used for transient or hotel purposes or as a so-called "bed and breakfast." Residential Units may only be leased or sold in accordance with the By-laws and the Rules and Regulations.

(i) Notwithstanding the foregoing or anything contained in the By-laws or the Rules and Regulations to the contrary, Declarant or its designee may, without the permission of the Board of Managers, use or grant permission for the use of any Unit owned by Declarant or its designee, until such time as the same may have been sold or otherwise conveyed (i.e., an "Unsold Unit"), as models, sales, leasing, promotion and/or production offices in connection with the sale or rental or Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations. In addition, while Declarant owns at least one Unit, Declarant shall be entitled to erect one or more signs and banners at the Building, including but not limited to signs and banners affixed to the windows of Units owned by Declarant, the Building facade, etc., advertising Units for sale or lease.

(j) No zoning variances with respect to use of any Common Element or Unit may be applied for by a Unit Owner. Any such application shall be made only by or through the Board of Managers. However, the Board shall be under no obligation to apply for zoning variances with respect to Common Elements or Units.

(k) Subject to the rights of Declarant set forth above, no Owner, tenant or occupant of a Unit shall, without the prior written approval of the Board of Managers, which approval may be withheld for any reason or no reason, place or suffer to be placed or maintained (i) within any Unit, any sign or advertising material which shall be visible from the exterior of the Unit or (ii) on the exterior of a Unit or on any window belonging to the Unit or on any Common Element adjacent to the Unit, any sign, awning, canopy, decoration, lettering or advertising matter or other thing of any kind.

(l) No Owner, tenant or occupant of a Unit shall repair, alter, replace or move any of the Common Elements or the Limited Common Elements in or appurtenant to said Owner's Unit, without the prior written consent of the Board, which consent may be withheld for any reason or no reason. A Unit Owner shall not obstruct the Common Elements.

(m) The Units shall be used in a manner appropriate to the design of the building systems and for which adequate elevator, stair, ventilation, plumbing and similar and related facilities exist. A Unit Owner's use of electricity and other systems in the Unit shall not at any time exceed the capacity of any electrical conductors and other equipment in or otherwise serving the Property.

(n) Unit Owners shall maintain their Units and any Limited Common Elements appurtenant thereto, in a manner which will not interfere with the use of the Building by others.

(o) A Unit may in no event be used for purposes, even though lawful, that create, result in, or generate excessive noise, vibration, vermin or insects in, through or on the Property. No broadcast, amplified or otherwise, of live or recorded words, music or other audio from a Unit that is audible from the exterior of the Building to pedestrians and others outside of the Building shall be permitted.

Section 7.7. Additions, Alterations or Improvements by Board of Managers.

(a) (i) The Board of Managers shall have the right to make or cause or permit to be made such additions, alterations and improvements to the Common Elements as in its opinion may be beneficial or necessary, or which are requested in writing by a Unit Owner. However, if the addition, alteration or improvement shall cost more than 50% of the then current estimated annual operating budget of the Condominium, exclusive of reserves, such addition, alteration or improvement must be approved by Unit Owners holding more than 66⅔% in Common Interest, voting at a meeting duly called in accordance with the By-laws.

(ii) Additions, alterations or improvements to the Common Elements, that are general in nature and cost 50% or less than 50% of the Condominium's then current estimated annual operating budget, exclusive of reserves, may be made by the Board of Managers and the cost thereof shall be a Common Expense. Before undertaking any work pursuant to this Section 7.7(a), the Board of Managers may require the consent in writing of any Unit Owner and Mortgagee whose rights, in the Board of Manager's sole judgment, may be prejudiced by the addition, alteration or improvement.

(b) If the Board of Managers determines that a proposed addition, alteration or improvement of a Common Element is general in character, the cost thereof shall be a Common Expense, shared by all Unit Owners in accordance with the By-laws, subject to the requirements of Section 7.2(c) of these By-laws. If the Board of Managers determines that an addition, alteration or improvement is exclusively or substantially for the benefit of the Unit Owner that requested it, the cost shall be a special assessment against such Owner. If more than one Unit Owner requested the addition, alteration or improvement, the cost shall be assessed in such proportion as the Board of Managers shall determine to be fair and equitable. The foregoing shall not prevent the Unit Owners affected by such addition, alteration or improvement from agreeing in writing, before or after the assessment is made, to be assessed in different proportions.

(c) Notwithstanding the foregoing, until Declarant or its designee shall have conveyed title to all Residential Units, or for a period of five years following the First Unit Closing, whichever is earlier, the Board of Managers may not make any addition, alteration, or improvement to the Common Elements without Declarant's prior written consent.

Section 7.8. Additions, Alterations or Improvements by Unit Owners.

(a) (i) Any structural, mechanical, electrical or plumbing addition, alteration or improvement in or to a Residential Unit or the Limited Common Elements appurtenant thereto or to the Common Elements generally, and/or the combination of two or more Residential Units into one Unit or the division of one Residential Unit into two or more Units, shall require the prior written consent of the Board of Managers and, until Sponsor has obtained a permanent certificate of occupancy for the Building, the consent of Sponsor as well, as set forth below in this Section 7.8. Awnings and exterior lighting may not be installed without the prior consent of the Board of Managers, and during the Sponsor Control Period, without the prior written consent of Sponsor, which consent by either Sponsor or the Board of Managers may be withheld for any reason. Unit Owners may perform non-structural work in the interior of their Unit (e.g., painting, decorating, installation of shelving) without the prior consent of the Board, provided the pertinent provisions of these By-laws are adhered to.

(ii) In no event may the sub-division or combination of Units result in a different total aggregate Common Interest than existed for the Units(s) being sub-divided or combined before the sub-division or combination. In each of the foregoing instances the Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall cause the Declaration to be amended, if necessary. Under no circumstances shall a Unit Owner make any changes to a Unit which will affect the Common Elements and/or the structural integrity of a Building without the prior written consent of the Board of Managers. Application for such consent shall be made by a Unit Owner in accordance with this Section 7.8 and the Board shall respond in accordance with the procedures set forth in this Section.

(iii) Notwithstanding anything to the contrary in the Condominium Documents, prior to Sponsor's receipt of a permanent certificate of occupancy for the Buildings, and prior to Sponsor's completion of any agreed-upon Punchlist Items (as defined in the Offering Plan) for a Unit, no alterations or repairs of any kind may be made by any Unit Owner other than Sponsor, whether to the interior of a Unit or to the Common Elements, without Sponsor's prior written consent, which consent may be withheld by Sponsor in its sole discretion.

(b) The Board shall be obligated to act on a Unit Owner's request for approval for an addition, alteration or improvement in or to a Unit within forty-five (45) days after the Board's

receipt from the Unit Owner of information and material in sufficient detail for the Board to thoroughly evaluate the request. In connection with any such request for approval, the Unit Owner shall be expected to submit, at a minimum, preliminary plans and specifications prepared by an architect licensed in New York State, and, in the event the request for Board approval concerns the division or combination of Units, a draft of the proposed associated amendment to the Declaration, which shall, among other things, reallocate Common Interest. The Board shall have the right to impose such additional reasonable requirements as it deems appropriate. The 45-day period within which the Board is obligated to act, shall not begin to run until the Board, in its sole reasonable judgment, has received a complete application from the Unit Owner seeking the Board's approval. The determination as to whether an application is complete shall be in the sole discretion of the Board. The Board's failure to act on a complete application within forty-five (45) days after receipt thereof shall be deemed to mean the Board has approved the application. During the Sponsor Control Period and until Sponsor has procured a permanent certificate of occupancy for the Property, copies of all submissions to the Board shall be submitted by Unit Owner at Unit Owner's expense to Sponsor as well, and Sponsor shall be obligated to act within the same time period as the Board.

(c) The cost of any proposed alteration, improvement, division or combination (including but not limited to the cost incurred by the Board to engage architects, lawyers and other professionals to review the plans and specifications for the proposed construction work and, if applicable, the proposed amendment to the Declaration), shall be borne by the Owner(s) of the Units being altered, improved, divided or combined. In this regard, Sponsor shall have the right, during the Sponsor Control Period, to require that as a condition of Sponsor's approval to a proposed alteration, that the Unit Owner engage, at Unit Owner's expense, Sponsor's Architect or another architect designated by Sponsor, to make the necessary filings with the NYC Department of Buildings, as described more fully below.

(d) Any alteration, improvement, division or combination by a Unit Owner shall be performed in compliance with all laws, codes, ordinances and regulations, and the provisions of these By-laws governing alterations generally. Any division or combination of a Unit shall become effective only upon the recording of the amendment to this Declaration prepared by and at the expense of the Unit Owner with the prior approval of the Board, and the concurrent filing of all necessary amendments to the Tax Lot Drawings with the necessary architectural certification affixed. The foregoing amendments to the Declaration and to the Tax Lot Drawings shall be recorded and filed respectively by the Board of Managers, upon the Unit Owner's completion of construction and at the expense of the Unit Owner combining, dividing or otherwise altering the Unit(s), provided the Board consented to the amendment prior to the Unit Owner's alteration work, in accordance with the procedures contained in the Declaration and By-laws.

(e) Prior to and as a condition of granting consent to the making of any structural, mechanical, electrical or plumbing alteration, repair, addition or improvement to a Unit or the Limited Common Elements appurtenant thereto, or to any other Common Element, the Board may require the Unit Owner to execute an alteration agreement in the form required by the Board, setting forth the terms and conditions under which the proposed work is to be done, including, without limitation, the name and address of the contractor and the days and hours during which the work is to be done.

(f) Unit Owners proposing alteration work shall have the obligation to submit the name and address of their contractor(s), together with a telephone number and contact person for each contractor who will be working in the Unit, in writing to the Board of Managers (and until

Sponsor has obtained a permanent certificate of occupancy for the Building to Sponsor as well) at least five (5) business days before the work is scheduled to begin. All contractors engaged by Unit Owners to perform construction work in a Unit (including, without limitation, painters, electricians, carpenters and plumbers), must be adequately insured and must provide a satisfactory certificate of insurance before commencing work. For insurance purposes, electrical and plumbing work in Units must be performed by licensed contractors. Further, all contractors must carry liability insurance coverage in such minimum amounts as the Board shall from time to time establish. Proof of license, where applicable, and insurance coverage must be submitted to the Board of Managers at the time the contractor's name is given to the Board. A contractor's liability insurance policy must be in full force and effect at the time the work is performed and must be issued by a reputable insurance company licensed to do business in New York. The contractor shall deliver a certificate of insurance, satisfactory to the Board of Managers, naming the Board of Managers of the Condominium, the Managing Agent of the Condominium and all Unit Owners, including but not limited to Declarant, as additional insureds.

(g) Any application to any department of or governmental agency of the City of New York or to any other governmental authority for permits or certificates necessary to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers, if necessary, provided, however, the Board of Managers shall not incur any liability on the part of the Board of Managers or any member of the Board to any contractor, subcontractor, materialman, architect or engineer on account of such installation, addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owner shall, if so requested, indemnify the Board of Managers and other Unit Owners in writing for any loss, damage or liability the Board or other Unit Owners may incur, resulting in any way from execution of any such documents. The cost of obtaining any such permits or certificates, as well as the cost of professional fees, if any, incurred by the Board of Managers in evaluating the proposed construction plans, shall be borne by the Owner of the Unit in which the addition, alteration or improvement is to be made. Any Unit Owner who combines two or more Units into one or more Units, and any Unit Owner who divides a Unit into two or more Units, shall be obligated, at said Unit Owner's sole cost and expense, to obtain the services of a registered architect or engineer to (i) file such drawings and make such applications as may be necessary to obtain, and (ii) if required by law and/or by the Board of Managers, actually obtain, an amended certificate of occupancy for the Building reflecting the changes made by said Unit Owner. During the Sponsor Control Period and until Sponsor has obtained a permanent certificate of occupancy for the Building, any application to the NYC Department of Buildings to be made by a Unit Owner or by the Board on behalf of a Unit Owner in connection with the combination or other alteration of a Unit, must be coordinated through Sponsor's Architect and the cost therefor paid for by the Unit Owner.

(h) The provisions of Sections 7.8(a)-7.8(g) of these By-laws, shall not apply to any Unit owned by Declarant or its designee. Declarant or its designee shall have the right, without the consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, with respect to Units owned by Declarant to (i) make alterations, additions or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit owned by it, (ii) reverse or change the layout of any Unit and make adjustments in interior dimensions of Units, (iii) change the number of rooms in any Unit, (iv) change the size and/or number of Units by subdividing one or more Units into two or more separate Units, combining separate Units (including those resulting from such sub-division or otherwise) into one or more Units, altering the boundary walls between Units or otherwise, including, without limitation, incorporating any wall, hallway or portion thereof, or any space or other area abutting a Unit or Units into one or more of said Units, or

otherwise, and (v) if appropriate, reapportion among the Units affected by such change their appurtenant Common Interests provided, however, that Common Interest need not be reapportioned if a portion of the public hallway is incorporated into a Unit or Units as described above. In each of the foregoing instances the Declarant or its designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, and shall cause the Declaration to be amended, if necessary.

(i) The Board of Managers shall execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such installation or structural addition, alteration or improvement made by Declarant or its designee, or by any other Unit Owner, to any Unit, if necessary, provided however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other document. A copy of any such application or document required to be signed by the Board shall be given to the Board by the applicable party.

(j) In order to preserve the architectural harmony of the facade of the Building, minimize the possibility of unsightly or obstructed views from other balconies or terraces and Residential Units and promote the safety of those on lower balconies, as well as on the street below, each Residential Unit Owner having the exclusive use of a balcony or terrace will be required to obtain the approval of the Board of Managers (and Sponsor, until Sponsor has obtained a permanent certificate of occupancy for the Building) before altering, decorating, landscaping or painting same. The Board of Managers or Sponsor may grant or withhold such approval in its sole discretion. Notwithstanding anything to the contrary contained in these By-laws or in the Declaration, Unit Owners with balconies or terraces appurtenant to their Units shall not be permitted to enclose these areas.

Section 7.9. Use of Common Elements and Facilities.

(a) A Unit Owner shall not place or cause to be placed in the common areas or common facilities, other than the areas designated as storage areas, any furniture, packages or objects of any kind.

(b) The Common Elements and facilities shall be used only for the furnishing of the services and facilities for which they are reasonably suited and capable. No Unit Owner shall make any addition, alteration, improvement or change in or to any Common Element without the prior written consent of the Board of Managers.

(c) Any portions of Common Elements designated storage areas for Unit Owners may be used only for Unit Owner's personal belongings. In no event may any food or other perishable item, any animal, any flammable or explosive item or any hazardous or toxic materials, substances or waste, be stored in a storage area. Neither Declarant nor the Board of Managers shall have any liability for any item stored by a Unit Owner in any designated Common Element storage area.

(d) While Declarant or its designee owns any Unit it shall have the right to maintain general and sales and leasing offices on or about the Property, to have its employees, contractors and agents present on the Property, to use the Common Elements and to do all things necessary or appropriate to sell or lease Units, including, without limitation, the right to erect and maintain signs on exterior portions of the Building and elsewhere on the Property, consistent with the

first-class residential character of the Property. Declarant shall be obligated to repair and maintain the portions of the Property used by it for such purpose so long as such use by Declarant or its designee shall continue.

(e) The Board of Managers shall have the right to regulate the hours within which Unit Owners or their tenants may move in and out of the Building and/or use the elevators therefor, and to impose against the Unit Owner as a Special Assessment, the overtime charges incurred by the Board of Managers for any employee required to work in excess of his or her regular hours to facilitate such Unit Owner's (or such Unit Owner's tenant's) move into or out of, the Building.

(f) Notwithstanding anything to the contrary in the Condominium Documents, Declarant and Declarant's contractors, subcontractors, construction workers and other personnel shall have the following rights and easements in and through the Common Elements from and after the First Unit Closing to facilitate Declarant's completion, as Sponsor of the Offering Plan, of its construction obligations pursuant thereto: (i) general right and easement of access to, and use of Common Elements (including, without limitation, preferential and priority use of elevators), (ii) right and easement to transport construction equipment, materials, supplies and debris on, across or through the Common Elements, and to temporarily store construction equipment, materials, supplies and debris in or on portions of the Common Elements determined appropriate by Declarant and/or Declarant's contractors in its or their sole discretion, and (iii) right to temporarily interrupt or suspend Building services or systems (including, without limitation, water, heating, cooling, electricity, gas, ventilation, plumbing and other building systems). Declarant will use reasonable efforts to utilize the foregoing rights and easements in a manner that will minimize inconvenience to residents of the Building.

Section 7.10. Right of Access. By acceptance of a deed to Unit, a Unit Owner shall be deemed to have granted a right of access to said Unit Owner's Unit to the Board of Managers, the managing agent and/or any other person authorized by the Board of Managers, for the purpose of making inspections or for the purpose of correcting any condition originating in said Unit Owner's Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in said Unit Owner's Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner and, further, provided that such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Unit for which it was intended. No prior notice shall be required in the event that the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Building or for the safety of the residents or Unit Owners of the Condominium or other persons, or required to avoid the suspension of any necessary service to the Condominium. In case of emergency, such right of entry shall be immediate, whether or not a Unit Owner is present.

Section 7.11. Water Charges and Sewer Rents. These charges will be a Common Expense.

Section 7.12. Electricity and Gas.

(a) Each Unit will be separately metered for electricity and gas and each Unit Owner will pay for electricity and gas consumed in Owner's Unit directly to the utility company.

(b) If the Board of Managers applies for and receives permission from the Public Service Commission to purchase electricity at a discounted rate, any and all savings obtained by the Board shall be passed through to Unit Owners.

ARTICLE 8

MORTGAGES

Section 8.1. Unit Owner's Rights.

(a) Each Unit Owner shall have the right to give a first mortgage to a Mortgagee on said Owner's Unit, and the Board of Managers will recognize the holder of such first mortgage in connection with the giving of notices of default under these By-laws, provided that (i) the mortgage shall be recorded and shall be expressly subordinate to the Declaration, (ii) the Unit Owner making such mortgage pays all assessments against said Owner's Unit at or prior to the making of the mortgage, and (iii) if the Mortgagee desires notification or approval rights with respect to the Board or the Condominium Documents, that the Unit Owner and Mortgagee enter into an agreement with the Board of Managers, which, among other things, asks and authorizes that the Board of Managers give copies to the Mortgagee of notices of the Unit Owner's default in payment of Common Charges simultaneously with the Board's notice to the Unit Owner. Notwithstanding anything to the contrary that may be contained in such agreement, if the Mortgagee fails to object to a proposed action as to which its consent is requested, within ten (10) days of the date consent is requested, Mortgagee's consent shall be deemed given.

(b) Any first mortgagee that satisfies the foregoing criteria shall be referred to as a **"Permitted Mortgagee"** and any first mortgage held by such Permitted Mortgagee satisfying the foregoing criteria shall be a **"Permitted Mortgage."**

Section 8.2. Notice to Board of Managers. A Unit Owner who mortgages a Unit shall notify the Board of Managers of the name and address of the Mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers. The Board of Managers shall maintain such information in a book entitled "Mortgages on Units".

Section 8.3. Notice of Unpaid Common Charges or Other Default. The Board of Managers, whenever so requested in writing by a Permitted Mortgagee of a Unit (i.e., pursuant to the agreement referred to in Section 8.1 above), shall promptly report any then unpaid Common Charges due from or any other default by the Owner of the mortgaged Unit. The Board shall also, in the event the Unit has been leased, have the right to provide to the Permitted Mortgagee, copies of notices to tenants, as described in Section 9.2(e) of these By-laws.

Section 8.4. Notice of Default.

(a) The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each Permitted Mortgagee of that Unit whose name and address has theretofore been furnished to the Board of Managers, provided the Permitted Mortgagee has requested of the Board in writing that it be notified of such default(s) (i.e., pursuant to the agreement referred to in Section 8.1 above). A Permitted Mortgagee who is entitled to receive notices of default by a Unit Owner in accordance with the foregoing, shall also be entitled to cure said default, in accordance with the following paragraph.

(b) (i) The Permitted Mortgagee shall have the right, but not the obligation, for a period of thirty (30) days following receipt of a copy of a default notice, to cure the default in the name and on behalf of the Unit Owner.

(ii) To facilitate the foregoing, for a period of thirty (30) days following the giving of notice to a Permitted Mortgagee of a default by a Unit Owner in payment of Common Charges the Board of Managers will not commence a proceeding to foreclose its lien for said Unit Owner's non-payment of Common Charges or other assessments. If the Permitted Mortgagee fails to cure said default within said thirty (30) day period by paying the requisite Common Charges or other assessments (plus late payment charges and interest thereon as per these By-laws), the Board of Managers shall be free to commence a proceeding to foreclose its lien at its discretion.

Section 8.5. Permitted Mortgagees to Notify Board of Managers of Unit Owner's Default. Upon the happening of a default under the terms of a Permitted Mortgage which would permit the holder to declare the entire principal sum due, notice of the intention of the holder to do so shall be given in writing to the Board of Managers prior to instituting a foreclosure action.

Section 8.6. Board of Managers Shall Be Notified in All Mortgage or Other Lien Foreclosures; Right to Bid. The Board of Managers shall be notified in writing of every action brought to foreclosure any mortgage or other lien affecting a Unit. The Board of Managers shall be entitled to bid at any sale, whether the Board of Managers is the plaintiff or a defendant, and to purchase any Unit at such sale (in its name or in the name of a nominee) for such amount as shall be approved by the applicable Unit Owners in accordance with these By-laws, taking into consideration the amount due the plaintiff, the costs and disbursements, and all other charges affecting the Unit. The Board of Managers shall not, however, be limited in its bidding to such amount or total but may bid any higher sum that they find necessary in order to protect the interests of the other applicable Unit Owners.

Section 8.7. Receivers. Notwithstanding anything to the contrary in these By-laws or the Declaration, in the event a receiver is appointed in connection with an action to foreclose a mortgage against a Unit, whether that mortgage is a Permitted Mortgage or otherwise, said receiver shall, upon appointment, be obligated to pay to the Board of Managers all Common Charges and other assessments owed by the defaulting Unit Owner, together with any late charges, interest and penalties assessed thereon. Further, upon the appointment of a receiver, the Unit Owner whose Unit is being foreclosed loses all rights accorded a Unit Owner in these By-laws or the Declaration in connection with the operation of the Condominium, including but not limited to the right to appoint or vote for members of the Board of Managers and the right to be a member of the Board of Managers or an officer of the Condominium and the receiver shall succeed to all such rights.

ARTICLE 9

SALES AND LEASES OF UNITS

Section 9.1. Sales.

(a) No Residential Unit Owner may sell said Owner's Residential Unit or any interest therein except by complying with the following provisions:

(i) Any Residential Unit Owner who receives a bona fide offer (hereinafter called an "**Outside Offer**") for the sale of said Owner's Residential Unit together with: (x) the Common Interest and the right to use any Limited Common Element appurtenant thereto, (y) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners (or on behalf of all Unit Owners, as applicable), or the proceeds of the sale thereof, if any, and (z) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the "**Appurtenant Interests**"), which said Owner intends to accept, shall give written notice to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, including without limitation, a credit report and other financial information respecting the proposed buyer, and such assurances and security as are referred to in Section 1.6(e) of these By-laws, if applicable, and shall offer to sell such Unit, together with the Appurtenant Interests, to the Board of Managers on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within twenty (20) days after the Board of Managers has received notice of the Outside Offer in accordance with the foregoing, plus all additional information the Board has requested (i.e., within twenty (20) days after the date the application to the Board is complete), the Board of Managers may elect, by notice to such Unit Owner, (1) to purchase such Unit, together with the Appurtenant Interests (or to cause the same to be purchased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner, or (2) to produce a purchaser who will purchase such Unit, together with the Appurtenant Interests, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner, or (3) to waive its right to the provisions of the foregoing clauses (1) and (2). The Board's right embodied in clauses (1) and (2) of the foregoing sentence is referred to as the Board's "**Right of First Refusal.**"

(ii) In the event the Board of Managers shall elect to purchase a Unit, together with the Appurtenant Interests, or to cause the same to be purchased by a designee, corporate or otherwise, title shall close at the office of the attorneys for the Condominium (or at such other location as the Board of Managers specifies) in accordance with the terms of the offer within sixty (60) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner shall convey the Unit and Appurtenant Interests to the Board of Managers 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 transfer stamps affixed, and shall pay all other transfer taxes arising out of such sale. Real estate taxes and Common Charges shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of the closing date.

(iii) In the event the Board of Managers waives its Right of First Refusal with respect to the Outside Offer, or fails to accept such Outside Offer with the 20-day period mentioned above, or timely accepts the Outside Offer but fails to produce a purchaser and close within the 60-day period mentioned above, the offering Unit Owner shall be free to sell and convey such Unit, together with the Appurtenant Interests, within ninety (90) days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, to the maker of the Outside Offer (hereinafter the "**Outside Offeror**"), on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. In the event

the offering Unit Owner shall not, within such 90-day period, sell and convey such Unit, together with the Appurtenant Interests, to the Outside Offeror on the terms and conditions contained in the Outside Offer, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 9.1.

(iv) Any deed to an Outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, including the By-laws annexed thereto, and the Rules and Regulations, as all of the same may be amended from time to time.

(v) The Board of Managers shall have the right to require Residential Unit Owners (except for Declarant and/or its designee) to pay a fee to the Board of Managers and/or the Condominium's Managing Agent to cover expenses in conjunction with the processing of an application for the sale of a Residential Unit.

(b) Any purported sale of a Unit in violation of this Section shall be voidable at the election of the Board of Managers, and if the Board shall so elect, the purported former Unit Owner shall be deemed to have empowered the Board to institute legal proceedings to eject the purported new Unit Owner at the cost and expense of the purported former Unit Owner, who shall be obligated to reimburse the Board for all expenses incurred in connection with such proceeding, including without limitation legal fees and disbursements.

Section 9.2. Leases.

(a) A Residential Unit Owner may lease said Owner's Residential Unit only in accordance with the following provisions:

(i) Any Residential Unit Owner who receives a bona fide offer for a lease of said Owner's Residential Unit which said Owner intends to accept, shall give notice to the Board of Managers of such offer and such intention, together with the name and address of the proposed lessee, the terms of the proposed lease, references, and such other information as the Board of Managers may reasonably require, including without limitation a credit report and other financial information respecting the proposed tenant. The Board of Managers may from time to time prescribe a form upon which the aforementioned information shall be listed.

(ii) Leases of Residential Units must contain terms of at least twelve (12) consecutive months but not to exceed any maximum term the Board may impose. No lease of a Residential Unit shall be made without the prior written consent thereto of the Board of Managers. The Board of Managers shall, within thirty (30) days after receipt of a fully completed application form, advise the Unit Owner in writing of its consent or refusal to consent to a proposed lease. The Board of Managers' refusal to consent to a lease must be based upon (a) the Board of Managers' agreement to lease such Unit upon the same terms, conditions and rental offered by the proposed lessee, (b) the Board of Managers' production of a lessee who will lease the Unit on the same terms, conditions and rental offered by the proposed lessee, (c) the fact that the proposed lease does not comply with the minimum or maximum lease term provisions established by the Board, or (d) the fact that the proposed tenant does not meet credit or other financial requirements established by the Board of Managers. If the Board of Managers affirmatively consents to the lease, or elects not to

lease such Unit on behalf of all Unit Owners or produce a lessee for such Unit and does not otherwise refuse to consent to said lease pursuant to the foregoing, within thirty (30) days after receipt of a fully completed application form, the Unit Owner shall have the right to consummate the lease on the terms submitted to the Board of Managers.

(iii) Notwithstanding the foregoing, if a Residential Unit is owned by an institution, corporation, or other business entity, the Owner of that Unit may enter into a lease or occupancy agreement for that Unit with an employee of the Unit Owner without such lease or occupancy agreement being subject to the approval and right of first refusal by the Board, provided, however, that (a) at least fifteen (15) business days in advance of the commencement date of the lease or occupancy agreement the Unit Owner provides the Board with the name of the tenant or occupant, position of employment for which tenant or occupant is engaged by the Unit Owner and the period of time such engagement is scheduled to last, and (b) the lease or occupancy agreement has a term of at least twelve (12) months or such other minimum lease/occupancy term as the Board shall then be requiring for leased Residential Units. All other conditions and provisions set forth in the By-laws required to be incorporated into leases between Residential Unit Owners and their tenants shall be applicable to such entity/employee lease or occupancy agreement as well.

(iv) The consent of the Board of Managers to a lease shall not be construed to relieve the Unit Owner from obtaining the consent of the Board of Managers to another lease, and a Unit Owner who subsequently desires to lease such Unit(s) shall be required again to comply with all the terms and provisions of this Section 9.2.

(b) The Board of Managers shall have the right to require Residential Unit Owners (except for Declarant or its designee) to pay a fee to the Board of Managers, and/or the Managing Agent to cover expenses in connection with applications for the lease of a Residential Unit.

(c) Any lease shall be consistent with and shall be deemed to incorporate by reference these By-laws and to provide that (in the case of Residential Unit leases only), the tenant shall not sublet the demised premises, or any part thereof, and that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant if the Unit Owner is in default under the Condominium Documents and/or if the tenant is in default under the lease. The form of any such lease for a Residential Unit shall be the then current form of apartment lease recommended by The Real Estate Board of New York, Inc.

(d) Each lease for a Residential Unit shall be deemed to incorporate into it the provisions of Real Property Law Section 339-kk, including, without limitation, the right of the Board of Managers to collect rent payments from the tenant, if the Unit Owner is in arrears in paying Common Charges. In addition, each lease for a Residential Unit, whether such lease has been entered into in accordance with these By-laws or otherwise, shall be deemed to have incorporated into it the following provisions:

(i) In the event the Owner of the Unit forming all or part of the demised premises under the lease shall be in default in payment of Common Charges for more than 30 days, the Board of Managers shall have the right to notify the tenant of the Unit Owner's default, and in said notice to direct tenant to pay all rent that would otherwise be due under the lease, directly to the Board of Managers. Upon receipt of such income the Board shall apply it against Common Charges owed by the defaulting Unit Owner.

(ii) In the event, however, that a Unit Owner has made an assignment of rents to a Permitted Mortgagee in connection with a Permitted Mortgage, and the Permitted Mortgagee has previously provided written notice to that effect to the Board of Managers, the Board of Managers shall endeavor to send a copy of the notification of the Unit Owner's default to the Permitted Mortgagee, at the same time as same is sent to the tenant. In such event, the Board shall refrain for a period of 30 days after giving a tenant notice of the Unit Owner's default, from directing tenant to pay its rent directly to the Board, in order to allow the Permitted Mortgagee to enforce its assignment of rents. If the Permitted Mortgagee notifies the Board in writing during such 30-day period that it has enforced its assignment of rents, the Permitted Mortgagee shall be required to make payments of Common Charges attributable to the Unit to the Board of Managers. If the Permitted Mortgagee shall not provide notice to such effect to the Board of Managers, then, at the expiration of the 30-day period following the Board's written notice to the tenant and the Permitted Mortgagee of the Unit Owner's default, the Board shall be entitled to direct tenant to pay rent directly to the Board as described above.

(e) Any purported lease of a Unit in violation of this Section 9.2 shall be voidable at the election of the Board of Managers, and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to eject or evict the purported tenant in the name of the Unit Owner as the purported landlord. The Unit Owner shall be obligated to reimburse the Board for all expenses (including without limitation attorney's fees and disbursements) incurred in connection with such proceedings.

Section 9.3. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers. The Board of Managers shall not exercise any right of first refusal to purchase or lease a Unit or agree to purchase a Unit at a foreclosure sale, without the prior approval of a majority in number and Common Interest of Unit Owners. In accordance with regulations of the Department of Law, in determining whether or not to exercise its right of first refusal with respect to the sale or lease of a Residential Unit, the Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law.

Section 9.4. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to said Owner's Unit without including therein the Appurtenant Interests, it being the intention hereof 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 interest so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 9.5. Release by Board of Managers of Right of First Refusal. The Right of First Refusal contained in Section 9.1 and 9.2 of these By-laws may be released, terminated or waived by the Board of Managers in which event the Unit, together with the Appurtenant Interests, may be sold, leased or otherwise conveyed free and clear of the provisions of such Sections.

Section 9.6. 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 9.1 or Section 9.2, as applicable, of these By-laws have been met by a Unit Owner, or have been duly waived by the Board of Managers and that the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Sections 9.1 and 9.2 of these By-laws or in respect to whom the provisions of such Sections have been waived, upon request.

Section 9.7. Financing of Purchase of Units by Board of Managers. Acquisition of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner in proportion to said Owner's Common Interest, as applicable, as a Common Charge, which assessment shall be enforceable as a special assessment in accordance with these By-laws, or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers.

Section 9.8. Exceptions. The restrictions set forth in the provisions of Sections 9.1 and 9.2 of these By-laws shall not apply with respect to (a) any sale, lease or other conveyance by a Unit Owner of said Unit Owner's Unit, together with the Appurtenant Interests, to said Unit Owner's Spouse or to any of the Unit Owner's adult children or to the Unit Owner's parent or parents or to the Unit Owner's grandparents or grandchildren or to the Unit Owner's adult siblings, or any one or more of them, or (b) the sale or lease of any Unit owned by Declarant or a designee or affiliate of Declarant or any Units resulting from the subdivision or combination thereof, or (c) the acquisition or sale of a Unit, together with the Appurtenant Interests, by a mortgagee or any other bidder at a foreclosure sale, who shall acquire title to such Unit by foreclosure, or (d) the acquisition or sale of a Unit acquired by deed in lieu of foreclosure. The term "Spouse" as used in this Section 9.8 and elsewhere in the Condominium Documents shall mean any adult person of the same or opposite sex to whom the Unit Owner is married and/or with whom the Unit Owner has registered as a domestic partner pursuant to the laws and/or regulations of the City and/or State of New York or other jurisdiction authorizing and providing for similar domestic partner registrations or for civil unions, or an adult lifetime partner whose relationship with the Unit Owner is long-term and characterized by emotional and financial commitment and interdependence.

Section 9.9. Gifts and Devises, etc. Any individual Unit Owner shall be free to convey or transfer his or her Unit and Appurtenant Interests by gift, or to devise his or her Unit and Appurtenant Interests by will, or to pass the same by intestacy, without restriction.

Section 9.10. Waiver of Right of Partition with Respect to Such Units as Are Acquired by the Board of Managers, or Its Designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 9.11. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease said Owner's Unit, unless and until said Owner shall have paid in full to the Board of Managers all unpaid Common Charges and other assessments theretofore assessed by the Board against said Owner's Unit and until said Owner shall have satisfied all unpaid liens against such Unit. In addition, each Unit Owner (except the Board of Managers,

Declarant and any affiliate, principal, partner or designee thereof), shall be obligated to pay any fee authorized by the Board of Managers to be paid to the managing agent of the Condominium, for services performed in connection with processing an application for the sale or lease of said Unit.

ARTICLE 10

CONDEMNATION

Section 10.1. Action to Contest Condemnation. The Board of Managers shall have the exclusive right to contest any condemnation or eminent domain proceeding which is directed at taking any portion of the Common Elements or which touches upon, concerns or affects the use of the Common Elements. No Unit Owner or tenant of a Unit shall impair or prejudice the action of the Board of Managers in contesting such condemnation. In any action contesting a taking by condemnation or eminent domain proceeding, the Board of Managers shall request the court to set forth the allocation of the condemnation award among the Unit Owners affected, taking into account their respective Common Interests, the effect of the taking on each Unit affected thereby, and any other relevant factors.

Section 10.2. Obligation to Restore. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements or any Unit, the Board of Managers shall be obligated to restore the Common Elements and all Unit Owners shall be obligated to restore their Units provided the Board makes available to the Unit Owners their applicable proportionate share of any condemnation proceeds. The foregoing obligation of the Board shall not be applicable, however, if the Property is subject to an action for partition in accordance with law or these By-laws or the Declaration. All condemnation awards shall be used for restoration and reconstruction of the interest taken. The Board of Managers may engage a construction manager or general contractor to coordinate the work necessary to complete the restoration of the Unit(s), Limited Common Elements and the Common Elements as in the case of a casualty, and the cost thereof shall be a Common Expense.

Section 10.3. Partition Action in Lieu of Continuation of Condominium After Partial Taking by Condemnation. If any condemnation or eminent domain proceeding results in the taking of:

(a) three-fourths or more of the Property, and Unit Owners representing at least 80% in Common Interest voting at a duly called meeting of the Unit Owners promptly resolve not to continue the Condominium, or

(b) less than three-fourths of the Property, but such taking substantially and adversely affects the use of the Property, and Unit Owners representing at least 80% in Common Interest voting at a duly called meeting of the Unit Owners promptly resolve not to continue the Condominium, then the Property or so much thereof as shall remain, shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common in which event the net proceeds of sale arising out of the partition action, together with the net proceeds of the award from the condemnation or eminent domain proceeding shall be considered one fund and shall be divided by the Board of Managers among all the 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 off out of such Owner's share all liens on such Owner's Unit, in the order of priority of such liens.

Section 10.4. Distribution of Condemnation Awards.

(a) Except as provided in Section 10.3 above, in the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to an Insurance Trustee selected by the Board of Managers if the award is more than $50,000.00 and to the Board of Managers if the award is $50,000.00 or less. This $50,000.00 limit shall automatically increase each calendar year by 5% over the limit of the previous year. The Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair, restoration or replacement of such Common Elements to the extent reasonably possible, and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments, in the same manner as if the Common Elements were destroyed by casualty, as described in Article 6 of these By-laws.

(b) If there shall be a surplus of such proceeds or if the Board of Managers or Insurance Trustee cannot reasonably repair, restore or replace the Common Elements taken, the proceeds shall be distributed among the Unit Owners, and the Common Interests of the Condominium shall be reallocated among the remaining Units as the court shall have directed or as the Board of Managers shall equitably determine if there was no direction by the court, taking into account in the latter event the respective Common Interest of the Units affected thereby, the effect of the taking on each Unit affected thereby after the completion of any repair, restoration or replacement by the Board of Managers or Insurance Trustee, and any other relevant factors. Any court direction as to such distribution shall be final. Any Residential Unit Owner who wishes to contest a determination by the Board of Managers as between itself and another Residential Unit Owner, shall do so by submitting the matter to Arbitration as provided in Article 11 of these By-laws, for a determination of a fair and proper distribution, or reallocation of Common Interest, as the case may be, which shall be binding on the Board of Managers, and on all Residential Unit Owners. A Board of Managers Unit Owner may withhold consent to Arbitration for any reason whatsoever. The cost of such Arbitration shall be borne solely by the party submitting the matter for Arbitration.

(c) After any determination of reallocation of Common Interest, the Board of Managers, on behalf of all Unit Owners, shall promptly prepare, execute and record an amendment to the Declaration reflecting such reallocation.

Section 10.5. Temporary Taking. If the temporary use or occupancy of all or any part of a Unit or the Common Elements shall be taken by condemnation or in any other manner for any public or quasi-public purpose, (a) a Unit Owner shall be entitled, except as hereinafter set forth, to receive that portion of the award or payment for such taking which represents compensation (i) for the use and occupancy of the Unit, (ii) for the taking of any property of the Unit Owner or tenants of the Unit Owner in the Unit, and (iii) for moving expenses, and (b) the Board of Managers shall be entitled to receive that portion which represents the cost of restoring any Common Elements, whether located in the Unit, or elsewhere. A Unit Owner shall remain responsible for complying with all obligations under the Declaration and By-laws, to the extent same are not affected by the taking, and shall also remain responsible for payment in full of Common Charges and any and all additional charges payable pursuant to the Declaration and By-laws. Any monies received by the Board as, or as part of, an award for temporary use and occupancy, shall be received, held and applied by the Board on account of Common Charges becoming due under the By-laws.

Section 10.6. Insurance Trustee. The term **"Insurance Trustee"** as used in these By-laws shall mean an Institutional Lender which has a capital and surplus account as of its last

published statement in excess of One Hundred Million Dollars ($100,000,000). All administrative fees charged by the Insurance Trustee shall be a General Common Expense unless the Insurance Trustee is acting exclusively for one or more Unit Owners, in which event the cost of the Insurance Trustee shall be paid or shared by the Unit Owner(s), as applicable.

ARTICLE 11

ARBITRATION

Section 11.1. Applicability. Arbitration (hereinafter "**Arbitration**"), shall be available in those cases where the Declaration or these By-laws require that the applicable party not unreasonably withhold or delay its consent, approval, determination, authorization or acceptance, or that the applicable party act in a reasonable manner, or that the applicable party exercise or refrain, in its reasonable discretion, from exercising any right granted to it in these By-laws or the Declaration, or where as a matter of law, the party may not unreasonably withhold or delay its consent. Arbitration shall also be applicable in all other instances pursuant to these By-laws or the Declaration where a dispute may or must be resolved through Arbitration.

Section 11.2. Appointment of Arbitrators.

(a) In any circumstance for which Arbitration is required or permitted under the Declaration or these By-laws, the party desiring Arbitration shall, within 15 business days of the event giving rise to the right to Arbitration, give written notice to such effect to the other party. Such notice also shall state the name and address of the arbitrator said party has appointed on its behalf, and shall state the issue to be arbitrated. Within five (5) business days after such notice is given, the other party by written notice to the original party, shall provide the name and address of a second person which said party shall have appointed on its behalf. If within five (5) business days following notice of the appointment of the second of said arbitrators, said two arbitrators shall be unable to resolve the issue, the two arbitrators shall, no later than five (5) business days after the end of their initial 5-day determination period, appoint by instrument in writing, a third person, as an impartial arbitrator, who shall proceed with the two arbitrators first appointed to determine the matter.

(b) If after notice of the appointment of the first arbitrator is given, the second arbitrator shall not have been appointed as aforesaid, then the party originating the Arbitration may apply for the appointment of an arbitrator in the manner hereinafter provided for the appointment of a third arbitrator in the case where the two arbitrators chosen hereunder are unable to agree upon such appointment.

(c) If the two (2) initially-appointed arbitrators shall be unable to agree within five (5) business days following the appointment of the latter of said arbitrators upon the matter in dispute and, in the event of the foregoing circumstances, if they shall fail to agree on an arbitrator to serve as the third arbitrator as aforesaid, then either party may apply to the American Arbitration Association ("**AAA**") or any successor organization (or if such organizations shall fail, refuse or be unable to act, to a court of competent jurisdiction in the State of New York) for the designation of such arbitrator.

(d) If any arbitrator appointed by either of the parties, by the AAA (or any successor organization), or court, or by the other two (2) arbitrators, shall die, become disqualified or incapacitated, or shall (for reasons beyond his or her control) fail to act, before such matter shall have

been determined, a substitute arbitrator shall promptly be appointed by the person or persons who appointed the arbitrator who shall have died, become disqualified or incapacitated or who shall have failed to act, and if a substitute arbitrator is not so named within three (3) business days after such death, disqualification, incapacity or failure to act, such substitute arbitrator shall be appointed by application to the AAA, as described above.

Section 11.3. Qualification of Arbitrators. Each arbitrator shall be a person who shall have had at least ten (10) years' continuous experience in the County of New York in a calling connected with the matter of the dispute (e.g., in the management or operation of first-class residential buildings in Manhattan, or in construction and/or architectural or engineering endeavors, etc.), shall be associated with a firm engaged in such business and shall not be a sole practitioner, and when required by law or regulation pertaining to practice of the profession or trade, shall be licensed to practice in New York. Any third arbitrator appointed in accordance with this Article 11 shall be impartial and shall not then be employed or controlled by, controlling or under common control with any member of the Board of Managers, any Unit Owner, any manager or managing agent of the Condominium or any component thereof, or any affiliates of the foregoing.

Section 11.4. Procedures.

(a) Arbitration shall be conducted, to the extent consistent with the Declaration and these By-laws, in accordance with the then prevailing Arbitration Rules for expedited procedures of the AAA, other than rules relating to the appointment of arbitrators, and such other procedures as are agreed to by the parties. All parties shall have the right to appear and be represented by counsel before the appointed arbitrators and to submit such data and memoranda in support of their respective positions in the matter in dispute as they may deem necessary or appropriate in the circumstances.

(b) Following presentation and submission of all such data, memoranda and similar material by all parties to the Arbitration in support of their positions, the arbitrators shall be obligated to render a determination within the time period set forth in this Article 11 for the rendering of decisions. The arbitrators' determination shall in all instances be in writing and shall not be rendered verbally.

(c) In the event a third arbitrator is appointed as described above, the arbitrators shall be instructed to render a decision within five (5) business days of the third arbitrator's appointment. In all Arbitrations, the written decision of any two arbitrators in accordance with the foregoing, shall be final and binding upon the parties to the Arbitration and judgment may be entered thereon in any court of competent jurisdiction. In rendering their decision, the arbitrators shall have no power to modify any of the provisions of the Declaration or these By-laws, and the jurisdiction of the arbitrators is limited accordingly, it being specifically understood that in no event shall the arbitrators have the authority to award damages.

Section 11.5. Costs and Expenses. In any Arbitration the losing party shall pay the fees and disbursements of the arbitrators and all other costs associated with the Arbitration, including the legal fees and disbursements, and out-of-pocket expenses of the other parties involved in the Arbitration, unless the Declaration or these By-laws provides otherwise with respect to specific items of dispute.

Section 11.6. Agreement by Parties. The parties to any dispute required or expressly permitted to be submitted to Arbitration under these By-laws or the Declaration, may, by mutual

written agreement between them, vary any of the provisions of this Article 11 with respect to the Arbitration of such dispute, or may agree to resolve their dispute in any other manner.

ARTICLE 12

RECORDS AND AUDITS

Section 12.1. General. The Board of Managers shall be required to keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures arising from the operation of the Property, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges and other assessments against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. Such records and vouchers authorizing payments shall be available for examination by Unit Owners at convenient weekday hours. An annual report of the receipts and expenditures of the Condominium audited by an independent public accountant, shall be rendered by the Board of Managers to all Unit Owners, promptly after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a Common Expense.

Section 12.2. Examination of Books. Each Unit Owner and each Permitted Mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times and upon reasonable notice, on business days, but not more often than once a month.

ARTICLE 13

GENERAL

Section 13.1. Notices.

(a) All notices required or desired to be given hereunder shall be sent by registered or certified mail. All notices to the Board of Managers shall be sent to it at the Property or to such other address as any of the foregoing entities or persons may hereafter designate from time to time, in writing. All notices to any Unit Owner shall be sent by registered or certified mail to the Building or to such other address as may have been designated by said Unit Owner from time to time, in writing, to the Board of Managers. All notices to Permitted Mortgagees of Units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers. All notices shall be deemed to have been given five (5) days after mailing, except notices of change of address which shall be deemed to have been given when received.

(b) 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(s) entitled to such notice, whether before or after the times stated therein, shall be deemed the equivalent thereof.

Section 13.2. Real Estate Taxes.

(a) During any interim period following recording of the Declaration when individual tax lots legally will be established of record for each Unit but during which time separate real estate tax assessments and real estate tax bills for each tax lot have not yet been issued (the **"Interim Period"**), real estate taxes shall be allocated to each Unit based on real estate taxes assessed against the entire Property. Accordingly, during this Interim Period each Residential Unit's proportionate share of real estate taxes will be based on the Common Interest attributable to that Unit. If at the time the Units are separately assessed, it is determined that the assessing authority used a method of allocation of the Property assessment among all Units substantially different than the foregoing, the allocations made during the Interim Period will be adjusted to incorporate the method of assessment used by the assessing authority and any necessary reimbursements shall be made.

(b) (i) Until the Units are separately assessed, the Declarant will collect from each Unit Owner, and will place in escrow with the Managing Agent, an amount equal to the Unit Owner's estimated proportionate share of real estate taxes projected to be due for the entire Property on the next upcoming tax payment due date, based on the foregoing allocation method. Escrows for real estate taxes for the tax payment due thereafter will be billed and collected monthly with Common Charges, based upon the then current tax rate (or a higher rate to hedge against a possible increase in rate at the beginning of a new tax year, if the new rate has not yet been set). The Declarant will pay all taxes allocable to Units not owned by Declarant, at the time such taxes are due, from the tax escrow account and the balance of the taxes will be paid by Declarant from its own funds.

(ii) If the actual taxes due for any period for which escrows are collected are higher than the amount collected and held in escrow, the Board of Managers shall pay the difference and shall bill Unit Owners for their proportionate share of any necessary reimbursement, as a Special Assessment. If any Unit Owner fails to pay said Owner's pro rata share of real estate taxes when due, by Common Charge billing, Special Assessment billing, or both, the Board of Managers will have a lien on such Owner's Unit for non-payment thereof, as if such charges were Common Charges. If the actual taxes due are lower than the amount collected and held in escrow by the Managing Agent, Declarant shall pay the tax bill and direct the Managing Agent to return to Unit Owner, Owner's proportionate share of any excess. At such time as the Unit is separately assessed, the Unit Owner will pay taxes directly to the taxing authority. If the Units are separately assessed with tax payments to commence during a period for which Managing Agent holds escrow funds, the Declarant will direct the Managing Agent to return the funds to each Owner and the Owner will be responsible for paying said Unit Owner's own tax bill.

(c) The Board of Managers shall have the right accorded boards of managers in Section 339-y of the Condominium Act to act as an agent for each Unit Owner who gives the Board written authorization, to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to the Units. All Unit Owners will share the costs in connection therewith and the benefits derived therefrom. The Board may retain legal counsel on behalf of the Unit Owners for which it is acting as agent, and charge all such Unit Owners a pro rata share of expenses, disbursements and legal fees, for which charges the Board shall have a lien as if for Common Charges, pursuant to Section 339-z of the Condominium Act. If any Unit Owner seeks individually to have the assessed value of said Owner's Unit reduced by bringing a separate tax certiorari proceeding, the Board of Managers, if necessary for such proceeding, will execute any

documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing such reduction, provided such Unit Owner indemnifies the Board of Managers and all other Unit Owners from all costs, claims and expenses (including, without limitation, reasonable attorney's fees and expenses), resulting from such proceedings.

Section 13.3. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-laws, upon reasonable notice to the Unit Owner, (a) to enter the Unit 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 that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event that the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium), or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 13.4. Invalidity. The invalidity of any part of these By-laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-laws.

Section 13.5. 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 thereof.

Section 13.6. Plurals. The use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 13.7. Waiver. No restriction, condition, obligation, or provision contained in these By-laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE 14

AMENDMENTS TO BY-LAWS

Section 14.1. General. Except as hereinafter provided otherwise, these By-laws may be modified or amended by vote of at least 66-⅔% in number and in Common Interest of all Units at a meeting of Unit Owners duly held for such purpose.

Section 14.2. Declarant's Rights.

(a) Declarant shall have the right, without the calling of a meeting and without the vote or consent of other Unit Owners, the Board of Managers or the holders of Unit mortgages, to execute (or to require the Board of Managers to execute), and to record in the City Register's Office, an amendment to these By-laws to reflect changes in Units owned by Declarant and the reapportionment of Common Interest in and among such Units, in accordance with the provisions of Section 7.8 of these By-laws, and related changes arising out of such modifications. All expenses in connection with the preparation, recordation and filing of such amendment shall be paid by Declarant

or its designee, unless Declarant shall otherwise arrange with the party on whose behalf the modifications are being made.

(b) The following provisions of these By-laws may not be amended, without the consent in writing of Declarant or its designee so long as Declarant or its designee shall be the owner of one or more Units:

(i) Section 2.1 insofar as it provides that Declarant or its designee has the right to appoint a specific number of members of the Board under the circumstances and for the period of time specified therein;

(ii) Section 2.5(b) insofar as it provides that the Board of Managers may not exercise certain powers without Declarant's prior written consent;

(iii) Sections 2.15 and 2.16 insofar as they provide for representation of and control by Declarant or its designee on the Executive Committee or any other committee created by the Board of Managers, so long as Declarant or its designee has a right to designate members of the Board of Managers;

(iv) Section 7.6(a), 7.6(h) and 7.6(j) insofar as they provide for Declarant to have the right to use any Unit for general, leasing and sales office purposes, and permits Declarant signage rights.

(v) Section 7.8(h) insofar as it provides that the provisions of Sections 7.8(a)-7.8(g) are inapplicable to Declarant, and accords Declarant certain specified rights regarding alteration, combination and subdivision of Units.

(vi) Section 7.9(c) insofar as it provides, among other things, for Declarant to have the right to maintain general, sales and leasing offices on the Property, to have employees, contractors and agents on the Property, to use the Common Elements in connection with sales and leasing, and to erect and maintain signs on exterior portions of the Building and elsewhere on the Property.

(vii) Section 9.8 insofar as it provides that the provisions of Sections 9.1 and 9.2 shall not apply with respect to a sale or lease of any Unit owned by Declarant or its designee or any Units resulting from the subdivision or combination thereof;

(viii) Article 2 with respect to Declarant's rights in connection with removal of its designated members on the Board of Managers;

(ix) All provisions concerning Declarant's rights with respect to alterations, additions and improvements of Units owned by it and requiring consent by Declarant to Unit Owner alterations or combinations of Units during the Sponsor Veto Control Period;

(x) All provisions requiring that the By-laws may not be amended so as to adversely affect Declarant; and

(xi) This Article 14.

Section 14.3. Use of Units. Notwithstanding anything to the contrary herein contained, no provision of these By-laws or the Declaration to which they are appended relating to the use of the Units may be amended without the consent of every Unit Owner affected by such amendment.

ARTICLE 15

CONFLICTS

Section 15.1. Generally. These By-laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

8. INITIAL RULES AND REGULATIONS OF 374 MANHATTAN CONDOMINIUM 316 WEST 116TH STREET, NEW YORK, NEW YORK

1. The sidewalks, entrances, passages, public halls, elevators, vestibule, corridors and stairways of 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 passages, public halls, vestibules, corridors, stairways or landings of the Building, nor shall any fire exit thereof be obstructed in any manner. No baby carriages, bicycles, scooters or similar vehicles shall be allowed to stand in the passages, public halls, vestibule, corridors or other public areas. Nothing shall be hung or shaken from any doors, windows, balconies, terraces or roofs or placed upon the window sills. No awnings, fans, or other projections shall be attached to the outside of the Building without the prior written approval of the Board of Managers.

3. Neither occupants nor their guests shall play in the entrances, lobby, passages, public halls, elevators, vestibule, corridors or stairways. Neither occupants nor their guests shall wear or use roller blades or other type of roller skate, or any skateboard or other similar wheeled recreational board, in any of the foregoing areas or in any other common area of the Building.

4. No public hall or public elevator vestibule shall be decorated or furnished by any Unit Owner in any manner.

5. Each Unit Owner shall keep Unit Owner's Unit and its appurtenant Limited Common Elements, if any, in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

6. No window guards or other window decorations shall be used in or about any Residential Unit, unless otherwise required by law, except such as shall have been approved in writing by the Board of Managers of the Condominium, which approval shall not be unreasonably withheld or delayed.

7. No radio or television aerial 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, the By-laws or shall have been approved in writing by the Board of Managers, nor shall anything be projected from any window without similar approval.

8. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit Owner's Unit.

9. No Unit Owner shall make or permit any disturbing noises or activity or do or permit anything to be done therein, which will interfere with the rights, comforts or convenience 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 disc, tape player or other audio player or radio or television set or other loud speaker in such Unit Owner's Unit between 10:00 P.M. and the following 9:00 A.M., if the same

shall disturb or annoy other occupants of the Building, and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction or repair work or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 4:00 P.M., unless such construction or repair work is necessitated by an emergency.

10. No bird, reptile or animal shall be permitted, kept or harbored in the Unit unless the same in each instance shall have been expressly permitted in writing by the Board of Managers and such consent, if given, shall be revocable by the Board of Managers in its sole discretion, at any time. Notwithstanding the foregoing, a Unit Owner shall be permitted to maintain two cats or one dog or two birds in any one Unit without the prior consent of the Board of Managers. In no event shall any bird, reptile or animal be permitted in any of the public portions of the Building unless carried or on a 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.

11. Refuse shall be sent to the cellar level of the Building only at such times and in such manner as the Board of Managers may direct.

12. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the Unit Owner.

13. No occupant of the Building shall send any employee of the Board of Managers, the Condominium or of the managing agent thereof out of the Building on any private business. In addition, any Condominium employee to whom any property shall be entrusted by or on behalf of a Unit Owner shall be deemed to be acting as said Unit Owner's agent with respect to such property and neither the Condominium nor the Board of Managers nor its agents, shall be liable for any damage to property of said Unit Owner or of other entrusted to employees of the Condominium nor for the loss of, or damage to, any property of the Unit Owner by theft or otherwise.

14. The agents of the Board of Managers or the managing agent, and any contractor or worker authorized by the Board of Managers or the managing agent may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

15. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors. All removals or the carrying in or out of any furniture or bulky matter of any description must take place in the manner and during the hours which the Board of Managers shall designate, and with payment to the Board of Managers of any costs it incurs in connection therewith. All work in connection with the moving of any such items must comply with the Administrative Code of the City of New York and all other laws and regulations applicable thereto. Notwithstanding any consent of the Board of Managers to the movement of such items the Unit Owner shall indemnify the Board of Managers for, and hold the Board harmless from, damages sustained by persons or property and for any damages paid out by the Board of Managers in settlement of any claims or judgments, as well as for all expenses and attorneys' fees incurred in connection therewith and all costs incurred in repairing any damage to the Building or appurtenances, caused by movement of any furniture, heavy machinery, or bulky matter of any sort into or out of the Building.

16. The Board of Managers shall retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board 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 the 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, then the Board or its agents (but, except in an emergency, only when specifically authorized by an officer of the Board) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care is given to the Unit Owner's property).

17. Complaints regarding the service of the Building shall be made in writing to the Board of Managers or to the managing agent.

18. Any consent or approval given under these Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Board of Managers, at any time by resolution of said Board.

19. Except as permitted under the Declaration and By-laws, Unit Owners and their families, guests, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever, enter upon or attempt to enter upon the roofs of the Building, except such portions as are terraces appurtenant to Units as Limited Common Elements.

20. Unit Owners shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units.

21. No Unit Owner or any of the Unit Owner's agents, servants, employees, licensees or visitors shall at any time use or bring into or keep in the Unit Owner's 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.

22. If any key or keys are entrusted by a Unit Owner or by any member of a Unit Owner's family or by a Unit Owner's agent, servant, employee, licensee or visitor, directly to an employee of the Board of Managers or directly to the managing agent or an employee of the managing agent, whether for such Unit Owner's Unit, 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 shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith (unless, however, the managing agent was entrusted directly with the key, in which case the agent shall be liable for such damages).

23. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Condominium or contents thereof without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in Unit Owner's Unit or in the Common Elements which will result in the cancellation of insurance on the Property or which would be in violation of any law. No waste shall be committed in the Common Elements.

24. The Board shall have the right from time to time to relocate or reallocate any space in the Building devoted to service purposes.

25. 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 prior consent of the Board of Managers.

26. In the event that any Unit is used for home occupation purposes permitted by law, clients or other invitees shall not be permitted for any purpose to wait in any lobby, public hallway or vestibule, unless such lobby, hallway or vestibule is part of the Unit.

27. Unless expressly authorized by the Board of Managers in each case, at least 80% of the floor area of each Unit (excepting only kitchens, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.

28. No Unit Owner shall install any plantings on any terrace without the prior written approval of the Board of Managers.

29. Plantings on terraces shall be contained in boxes of wood (or other material acceptable to the Board of Managers), lined with metal or other material impervious to dampness and standing on supports at least two inches from the terrace or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Terrace floor loads are designed for small potted plants only. Plantings on terraces may not exceed weight limits commensurate with the foregoing. The Board of Managers may promulgate specific weight limits as well. Any damage to the Building or to the personal property of another Unit Owner or occupant of the Building caused by a Unit Owner's terrace or roof plantings or improper maintenance thereof, shall be the responsibility of the Unit Owner whose plants caused the damage, to repair. If the Unit Owner fails to repair the damage, the Board of Managers may cause the damage to be repaired and shall assess the Unit Owner for all costs incurred in connection therewith.

30. The Board of Managers reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Building when, in the judgment of the Board, the Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Building or the preservation of good order therein, or the operation or maintenance of the Building or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Building. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Unit Owner or other occupant.

9. REAL ESTATE TAX CONSULTANT'S OPINION RE: TAX BENEFITS AND ASSESSED VALUE

R & J Realty Services, Inc.

2944 Fulton Street
Brooklyn, NY 11207

Tel: 1-718-647-6776 **Fax: 1-718-647-6116**

February 11, 2005

The Harlem Infill Corp
555 Bergen Avenue
Bronx, NY 10455
Attn: Phillip Morrow

Re: 374 Manhattan Ave., New York, NY 10026
316-318 West 116th Street, New York, NY 10026
Block: 1848 Lots: 62, 63 & 65

Dear Mr. Morrow:

You have requested our opinion as to the eligibility of the above property for real estate tax abatement and tax exemption benefits under Section 11-243 of the Administrative Code of the City of New York (Sec. J-51) and an estimate of what the abatement benefits would be.

Based on the information and assumptions set forth below the project will be eligible for a tax abatement in the amount of 90% of the Certified Reasonable Cost (CRC) of the Project. While we cannot finally determine the CRC of the project until the work has been performed and inspected by HPD, we have estimated the CRC, assuming that a substantial rehabilitation is done, and based upon information submitted to us by the Owner, that the Certificate of Eligibility and Reasonable Cost (CRC) to be issued pursuant to Subdivision "F" of Section 11-243 of HPD will be approximately $1,160,000.00 with a maximum annual abatement of approximately $96,667 until $1,044,000 of the Certificate is used. Up to 81/3% of the CRC may be applied against the taxes on the building in any year, and any unused abatement may be carried forward up to 20 years after commencement of the abatement benefit. In addition, if the project results in an increase in assessed value attributable to the physical work, each building will be eligible for a 14-year exemption in the amount of that increase (10 years of full exemption followed by a 4-year phase-out).

Based on the foregoing, it is our opinion that the Department of Housing Preservation and Development ("HPD") will consider the property eligible for real estate tax abatement benefits under Section 11-243.

Section 11-243, as amended, limits exemption benefits for properties where an alteration permit was issued after September 15, 1983. Exemption benefits are based upon the post-rehabilitation assessment. No exemption will be granted to a property where the post-rehabilitation assessment exceeds $38,000 per dwelling unit. Properties whose post-rehabilitation assessment is between $18,000 and $38,000 per dwelling will be exempt from an increase in taxation computed on an incremental basis.

Local Law 41 of 1988 removed these exemption limitations for properties in the outer boroughs and in Manhattan above 110th Street, provided the permit was issued after June 1, 1986. These exemption limitations will not apply to this property.

No assurance can be given that the assessed valuation and/or tax rate will remain the same for the duration of the benefits, and if either increases, the real estate taxes may increase. The ratio of exempt to non-exempt portions of the building's assessed value shall remain the same throughout the period of tax exemption, not withstanding any subsequent increase in assessed value during this period.

In general, to qualify for the exemption and abatement benefits, an application must be submitted to HPD within forty eight months of the commencement of the work [Regulations Section 5-03(d) (3) formerly Section 2.4 (4) of the Rules]. In addition, with respect to work commenced on or after July 1, 1977 the work must be completed within 36 months after it was begun or by December 31, 2007, whichever is sooner. Regulation Section 5-02 formerly Section 2.4 (2) defines the date of completion, which includes the date of issuance or re-issuance of a Certificate of Occupancy (including under certain conditions, a temporary Certificate).

We also note that once J-51 benefits are granted, certain subsequent events could cause their reduction or revocation. Under Section 5-07(e) of the Regulations, the Commissioner of HPD may reduce or revoke past or future tax exemptions or abatements if he finds that the J-51 application contained a false statement as to a material matter or omits a material fact.

ALL INTERESTED PARTIES SHOULD BE AWARE THAT HPD ROUTINELY CONDUCTS AUDITS AND REQUIRES THAT, PURSUANT TO SECTION 5-07 (b) OF THE REGULATIONS, ALL BOOKS, RECORDS AND DOCUMENTS BE KEPT AND RETAINED FOR THREE YEARS AFTER COMPLETION OF THE APPLICATION AND MADE AVAILABLE TO HPD SHOULD SUCH DOCUMENTATION BE REQUESTED. FAILURE TO COMPLY WITH AUDIT REQUIREMENTS CAN RESULT IN THE REDUCTION OR LOSS OF J-51 BENEFITS.

Please note that, after the J-51 application has been approved by HPD, benefits will not actually commence so long as previous real estate taxes, water and sewer charges remain unpaid.

The real estate tax benefits, which are available to eligible properties under section J-51, are as follows:

TAX EXEMPTION

In some instances some or all of any increase in a building's assessed valuation, resulting from the conversion, alteration, or improvement of a building or structure, performed pursuant to Section J-51, except insofar as the gross cubic content of the building is increased thereby, may be exempt from taxation for a period of fourteen years with 100% exemption for 10 years followed by a 20% phase-out in each of the succeeding 4 years. The land value shall not be exempt from any increase in assessed valuation.

TAX ABATEMENT

The taxes which are attributable to the nonexempt portion of the assessed valuation, may be abated and reduced by an amount no greater than 8 1/3% of the Certified Reasonable Cost (CRC) to be issued by the Department of Housing Preservation and Development ("HPD") for a period of not less than 6 years and not to exceed 20 years.

All interested parties should note that the expiration date of Section 489 of the Real Property Tax law, which is the enabling legislation for New York City's enactment of the J-51 Statute, is December 31, 2007.

This legislation and other amendments to the Section 11-243 Program, include the withdrawal of benefits for the conversion of Class B dwellings to Class A dwellings, restrictions on loft conversions, reduction of the "cap" on maximum abatement benefits and the removal of benefits for "luxury" conversions, among other changes. These provisions limit tax exemptions, in some cases, by creating a sliding scale for the exemption based on the post rehabilitation assessed valuation of the property. In addition, the Certificate of Reasonable Cost would be subject to a dollar limit of $15,000 per dwelling unit (based on a unit of 3.5 rooms).

You have advised us that you intend to rehabilitate the above vacant multiple dwellings consisting of 14 residential condominium apartments and that there will be no commercial space and that the cubic content of the building will be increased. The increase in the cubic content of this project will not be eligible for J-51 benefits. You have further advised us that the renovation is being performed pursuant to an Alteration Type I permit and that a new certificate of occupancy will be issued by the Department of Buildings upon completion of the renovation.

Section 5-06 of the Rules provides that J-51 benefits are not available for new construction. For work to be eligible either (i) at least seventy-five percent (75%) of the total area of the original perimeter walls, but in any event at least fifty (50%) of the total area of the original non-party perimeter walls, must remain in place or (ii) at least eighty percent (80%) of the original structural floor area of the building must remain in place, in the building for which benefits are claimed. We assume the Project will meet the requirements of Section 5-04(a)(6).

the property is entitled to the benefits conferred by Section 11-243.

NO WARRANTY IS OR CAN BE MADE BY THIS FIRM THAT HPD OR THE NEW YORK CITY REAL PROPERTY ASSESSMENT DEPARTMENT, OR ANY OTHER AGENCY WITH JURISDICTION WILL APPROVE OWNER'S APPLICATION FOR J-51 TAX BENEFITS, AND THE WRITER OF THIS LETTER SHALLL NOT BE LIABLE IF, BECAUSE OF CHANGES IN LAWS AND/OR REGULATIONS OR THE INTERPRETATIONS OF LAWS AND/OR REGULATIONS OR IF THE FACTS REPRESENTED BY OWNER PROVE INCORRECT, THE PROPERTY FAILS TO OBTAIN IN WHOLE OR PART J-51 BENEFITS. SHOULD TAX ABATEMENT AND/OR EXEMPTION BE DENIED, IN WHOLE OR IN PART, THEN THE OWNERS MAY BE RESPONSIBLE FOR THE ENTIRE TAXES DUE AND OWING FROM THE CLOSING DATE.

Very truly yours,

R & J Realty Services, Inc.

Nancooar Rajcoar

By: Nancooar Rajcoar

Please Note: J-51 and 11-243 are used interchangeably

Revised Chart No. 1 2/25

Real Property Tax Abatement and Exemption Chart

Abatement Year	Year	A V * Land & bldg	AV After * Rehab	Total * Assessed Value	Amt Exempt	20 % of Assessed Value	Total Assessed Value	Tax * Rate	Taxes *	Remaining Abatement	Total Taxes	Taxes Owed
										1,044,000		
1	2005/06	36,000	861,900	897,900	897,900	0		12.15	3,885	1,040,115	3,885	None
2	2006/07	36,000	861,900	897,900	897,900	0		12.61	4,002	1,036,113	7,887	None
3	2007/08	36,000	861,900	897,900	897,900	0		12.89	4,245	1,031,868	12,132	None
4	2008/09	36,000	861,900	897,900	897,900	0		13.27	4,373	1,027,495	16,505	None
5	2009/10	36,000	861,900	897,900	897,900	0		13.67	4,504	1,022,991	21,009	None
6	2010/11	36,000	861,900	897,900	897,900	0		14.08	4,639	1,018,352	25,648	None
7	2011/12	36,000	861,900	897,900	897,900	0		14.5	4,778	1,013,574	30,426	None
8	2012/13	36,000	861,900	897,900	897,900	0		14.94	4,922	1,008,652	35,348	None
9	2013/14	36,000	861,900	897,900	897,900	0		15.39	5,089	1,003,563	40,437	None
10	2014/15	36,000	861,900	897,900	897,900	0		15.85	5,221	1,003,431	40,569	None
11	2015/16	36,000	861,900	897,900	861,900	172,380	208,380	16.32	62,140	941,291	102,709	None
12	2016/17	36,000	861,900	897,900	689,520	344,760	380,760	16.81	92,983	848,308	195,692	None
13	2017/18	36,000	861,900	897,900	517,140	517,140	553,140	17.32	125,660	722,648	321,352	None
14	2018/19	36,000	861,900	897,900	172,380	689,520	725,520	17.84	160,185	562,463	481,537	None
15	2019/20	36,000	861,900	897,900	0	861,900	897,900	18.37	164,944	397,518	646,482	None
16	2020/21	36,000	861,900	897,900	0	861,900	897,900	18.92	169,883	227,636	816,364	None
17	2021/22	36,000	861,900	897,900	0	861,900	897,900	19.49	175,001	52,635	991,365	52,635
18	2022/23	36,000	861,900	897,900	0	861,900	897,900	20.08	180,298	180,298	1,171,663	180,298
19	2023/24	36,000	861,900	897,900	0	861,900	897,900	20.68	185,686	185,686	1,357,349	185,686
20	2024/25	36,000	861,900	897,900	0	861,900	897,900	21.3	191,253	191,253	1,548,602	191,253

* Information obtained from the appraisal report of Cushman & Wakefield dated Dec. 31, 2003.

10. OFFERING PLAN COUNSEL'S OPINIONS

A. Tax Aspects of the Condominium

B. Compliance with Real Property Law Section 339-i



Bryan Cave LLP
Direct: (212) 541-2000
Fax: (212) 541-4630

September 23, 2005

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c/o The Community Preservation Corporation
28 East 28th Street
New York, NY 10016

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Phoenix
Riyadh
Shanghai
St. Louis
United Arab Emirates (Dubai)
Washington, DC

And Bryan Cave,
A Multinational Partnership,
London

Re: Offering Plan for 374 Manhattan Condominium
316 West 116th Street, New York, NY

Ladies and Gentlemen:

As owner of the property located at 316 West 116th Street, New York, New York (the "**Property**") and sponsor ("**Sponsor**") of the offering plan filed with the New York State Department of Law to establish the Property as a condominium (the "**Offering Plan**" or "**Plan**"), you have requested our opinion as to the deductibility for Federal, New York State and New York City income tax purposes of mortgage interest and real estate taxes paid by a person who purchases a "**Residential Unit**" (as defined in the Plan) upon establishment of the Property as a condominium (the "**Condominium**"), and thus becomes a "**Residential Unit Owner**" (also as defined in the Plan) at the Condominium.

In connection with this opinion we reviewed the Plan (including the schedules and exhibits that are part of the Plan) and all documents contained in the Plan.

The opinions expressed in this letter are based upon the assumptions that the Plan becomes effective and is consummated in accordance with its terms, a condominium regime is established at the Property upon the recording of a condominium declaration and by-laws (collectively, the "**Declaration**") and the filing of the "**Tax Lot Drawings**" (as defined in the Plan), and the legal consequences of ownership of a Unit are as described in the Plan. Specifically our opinions are based on the assumptions that:

A. a Residential Unit Owner, as defined in the Plan (a "**Unit Owner**") will own fee title to a Residential Unit, as defined in the Plan (a "**Unit**"), including an undivided interest in the "**Common Elements**" (as defined in the Plan) appurtenant to the Unit;

B. each Unit, including its appurtenant undivided interest in the Common Elements, will be a separate tax lot for purposes of New York City real estate taxes and the Unit Owner will be directly liable for the real estate tax assessment with respect to that Unit Owner's Unit, but not with respect to any other Unit;

C. subject to certain restrictions contained in the Declaration, a Unit Owner may mortgage the Unit as the Unit Owner wishes, and the Unit will not be subject to the lien of any mortgage placed on any other Unit; and

D. a Unit Owner may convey that Owner's Unit, subject, with certain exceptions, to certain rights of the Board of Managers (defined below) contained in the Declaration.

Pursuant to the Declaration, the Condominium will be managed by a Board of Managers (the "**Board of Managers**") whose members will be elected by the Unit Owners (including Sponsor, to the extent Sponsor owns Units). We understand that the Board of Managers will operate the Condominium as an unincorporated association under New York law. The Declaration provides that expenses incurred in the operation and maintenance of the Condominium exclusive of the Units themselves shall be borne by the Unit Owners and assessed (in accordance with the Declaration) and collected by the Board of Managers on behalf of the Unit Owners.

Based upon the foregoing, it is our opinion that an individual Residential Unit Owner who uses the Residential Unit as said Owner's principal residence or specifically selected secondary residence (each a "**Qualified Residence**") and who itemizes deductions, will be entitled under present tax laws and regulations, to deduct from adjusted gross income, for Federal, New York State and New York City income tax purposes, certain costs associated with ownership of the Residential Unit. Specifically, the Residential Unit Owner may deduct, subject to certain limitations on itemized deductions, (i) real estate taxes assessed against Owner's Residential Unit and (ii) subject to the limitations identified in the next sentence, interest on indebtedness incurred in acquiring, constructing, or substantially improving a Qualified Residence that is secured by such Qualified Residence ("**Acquisition Indebtedness**"), and interest on indebtedness (other than Acquisition Indebtedness) secured by a Qualified Residence ("**Equity Indebtedness**"), but only to the extent the aggregate amount of such Equity Indebtedness does not exceed the fair market value of the Qualified Residence less Acquisition Indebtedness with respect to such Qualified Residence.

However, the aggregate amount treated as Acquisition Indebtedness for any period (on both a principal residence and a specifically selected secondary residence) may not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return), and the aggregate amount treated as Equity Indebtedness for any period (on both a principal residence and a specifically selected secondary residence) may not exceed $100,000 ($50,000 in the case of a separate return by a married

individual). (See Sections 163 (interest) and 164 (taxes) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.)

The expenses discussed above will be deductible when paid or accrued by the Residential Unit Owner depending upon the Residential Unit Owner's method of accounting. However, any Residential Unit Owner required to compute Federal income tax liability pursuant to the Federal alternative minimum tax, will not be entitled to deduct real estate taxes paid or accrued with respect to such Owner's Residential Unit or interest on Equity Indebtedness.

Generally, a person who purchases a Residential Unit for use in a trade or business will be entitled under present tax laws and regulations to deduct from gross income for Federal income tax purposes in accordance with its method of accounting (i) real estate taxes assessed against such Owner's Residential Unit, and (ii) interest on indebtedness incurred or continued in connection with the conduct of such trade or business, subject, however, to the limitations of Section 469 of the Code relating to "passive activity" losses and Section 465 of the Code relating to the "at-risk" rules.

The status of the Condominium for Federal income tax purposes (and accordingly for New York State and New York City income tax purposes) as an aggregation of Unit Owners or as an entity for income tax purposes is not clear, and accordingly we express no opinion with respect to this matter.

If the Condominium is treated for tax purposes simply as an aggregation of the Unit Owners, the income received by the Board of Managers (such as rents on any Units owned and leased by the Board of Managers or interest earned on the Condominium's funds) and the expenses incurred by the Board of Managers on behalf of the Unit Owners in deriving such income, would be deemed to be income and expenses of the Unit Owners in proportion to their respective Common Interests (as defined in the Plan), and the amount of such income less such expenses would be taxable to the Unit Owners. In such a case, however, the Common Charges (as defined in the Plan) would not be considered income to the Unit Owners, and the expenditures incurred in maintaining the Common Elements would not be deductible by the Unit Owners.

If, on the other hand, the Condominium is treated as an entity for income tax purposes, then under Treasury regulations dealing with the classification of entities for income tax purposes, the Condominium would be classified as a partnership for such purposes absent an election to classify the entity as a corporation. As a partnership, the Condominium itself would not be subject to income tax (other than possibly the New York City unincorporated business tax). Instead, the taxable income or loss of the Condominium would be passed through to the Unit Owners, each of whom would be required to report such Unit Owner's distributive share of such income on such Unit Owner's income tax return. The manner in which such income or loss would be computed is not entirely clear, but it would presumably be computed in a manner similar to that described below for a condominium electing to be classified as a corporation for income tax purposes.

However, as it is anticipated that the Condominium will treat itself as an entity for income tax purposes and will make an election to be classified as a corporation for such purposes, although no assurance can be given in this regard, the remainder of this discussion assumes that the Condominium will be classified as a corporation for income tax purposes. In such event, the Condominium would be subject to Federal corporate income tax (as well as to the New York State and New York City corporate franchise (income) tax) on its taxable income. See Rev. Rul. 74-99, 1974-1 C.B. 131. For these purposes, the Condominium's taxable income would be the excess of its gross income over its deductible expenses. Gross income would include, among other things, any rental income or investment income received by the Condominium and all Common Charges paid by Unit Owners. However, any portion of the Common Charges segregated and used to finance specified capital expenditures or reserves for such capital expenditures should generally not be required to be included in gross income. See Rev. Rul. 75-371, 1975-2 C.B. 52; Rev. Rul. 75-370, 1975-2 C.B. 25; Rev. Rul. 74-563, 1974-2 C.B. 38. Deductible expenses would generally include the Condominium's Common Expenses other than capital expenditures.

Notwithstanding the foregoing, if the Condominium satisfies the requirements of Section 528 of the Code, the Condominium, as a condominium management association, may elect to be exempt from Federal income taxes on Common Charges collected from Unit Owners.

The Section 528 requirements for exemption are as follows: (i) the association must be organized and operated to provide for the acquisition, construction, management, maintenance, and care of association property; (ii) 60 percent or more of the association's gross income must consist of assessments from unit owners ("exempt function income"); (iii) at least 90 percent of the association's expenditures must be for the acquisition, construction, management, maintenance, and care of association property; (iv) no part of the net earnings can inure to the benefit of any member or private individual other than by the acquisition, construction, management, maintenance and care of association property or by rebates of excess assessments; and (v) substantially all units (i.e., at least 85% of the total square footage of all units) must be used by individuals as residences. The pertinent Treasury Regulations appear to focus on residential use by individuals, rather than ownership by individuals, and also provide that a unit that has never been occupied will be deemed to be used by an individual for residential purposes if, based on all the facts and circumstances, the unit appears to have been constructed for residential purposes. An election under Section 528 is made on an annual basis by filing Form 1120-H.

Even if the Condominium were to satisfy the requirements of Section 528 and elect to be exempt from Federal income taxes on exempt function income, it would still be taxable at a 30% flat rate on the amount, subject to a $100 specific deduction, by which its non-exempt function income exceeds the amount of allowable deductions which are directly connected with the production of such income. Among other things, income derived from the interim investment of assessments collected would be includible in the amount of income subject to taxation.

The qualification of the Condominium to elect to be exempt from tax pursuant to Section 528 involves factual issues which can be determined only on a year-by-year basis. Thus, we cannot express an opinion as to whether the Condominium will qualify to make a Section 528 election or whether it would be advisable to do so for any given year. However, if the Projected Budget for First Year of Condominium Operation contained in the Plan proves to be accurate, and assuming that requirement (v) discussed above is met, the Condominium should qualify to make the Section 528 election for the first year of operation. In the event that the Condominium either fails to qualify under Section 528 or, if qualified, fails to elect Section 528 tax treatment in any year, it could be subject to the regular Federal corporate income tax on its taxable income as described above.

We express no views as to any tax consequences other than those explicitly discussed in this opinion. Specifically, we express no views as to the tax status of the Condominium as such or the computation of the Condominium's income and franchise tax liabilities (if any), nor does this opinion address the tax consequences which result from ownership of a Unit in connection with a Unit Owner's trade or business or for the production of income (including the possible application of the passive loss rules and the at-risk rules) other than those explicitly expressed herein. We strongly advise each person contemplating the purchase of a Unit to consult his or her own tax advisor as to all tax matters (including, without limitation, the tax matters discussed in this opinion).

The opinions expressed above are based on our interpretation of existing tax laws, the applicable regulations and rules of the Treasury Department and court decisions construing such rules and regulations. Although we believe our opinions are well founded, they are not intended, and should not be construed, as warranties. No assurances can be given that the Internal Revenue Service or state and local tax authorities will accept any or all of the views stated above or that the tax law upon which counsel based its opinion will not change. In no event will Sponsor, Sponsor's counsel, the Selling Agent or any other person be liable if there are changes in the facts on which we relied in issuing this opinion, or if there are changes in the applicable statutes, regulations, decisional law or rulings on which we relied. Finally, we have not passed upon the accuracy of any figures or estimates contained in the Plan and do not warrant the amount deductible for any period, assuming such tax deductions are allowed, or the amount that Unit Owners may save in Federal, New York State and New York City income taxes, if any, as a result of such deductions.

We make no warranty that the Internal Revenue Service, the New York State Department of Taxation and Finance or the New York City Department of Finance will accept any or all of the views stated above. In addition, the Federal, New York State and New York City tax laws and regulations (and the rulings and decisions thereunder) may change, possibly even retroactively, and thereby affect, in whole or in part, the results outlined above.

****

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that (i) this opinion and Offering Plan were not intended or written to be used, and they

cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this opinion and Offering Plan were written to support the promotion or marketing of the transaction(s) or matter(s) addressed in this opinion and Offering Plan; and (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

****

We consent to the incorporation of this opinion into the Plan and to the references to our name in the Plan.

Very truly yours,

Bryan Cave LLP

BRYAN CAVE LLP



Bryan Cave LLP
Direct: (212) 541-2000
Fax: (212) 541-4630

September 23, 2005

Harlem Infil LLC
c/o The Community Preservation Corporation
28 East 28th Street
New York, NY 10016

Re: 374 Manhattan Condominium

Ladies and Gentlemen:

The New York Condominium Act (NYS Real Property Law Article 9-B) provides in Section 339-i(1) that each unit in a condominium shall have appurtenant to it a "common interest" (a "**Common Interest**") as expressed in the declaration. Section 339-i(1) provides further that there are four different methods of allocating such common interest.

With respect to the condominium project you propose to develop called 374 Manhattan Condominium, located at 316 West 116th Street, New York, New York (the "**Condominium**") you have advised us that the Common Interest to be appurtenant to each unit at the Condominium (each a "**Unit**" and collectively the "**Units**") in the declaration of condominium (the "**Declaration**"), a draft of which is contained in your offering plan for the Condominium, is to be based on the anticipated floor space of a Unit subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements (as defined in the Declaration) for exclusive or shared use, and the overall dimensions of the Unit. This formula is substantially consistent with that permitted by Section 339-i(1)(iv) of the Condominium Act and thus constitutes a permitted method of allocating Common Interest.

In a letter dated February 28, 2005 addressed to you, a copy of which (without the referenced Corporate Profile) is attached hereto as Exhibit 1, World Class Management (hereinafter "**World Class**") states that World Class has calculated the Common Interest for each Unit at the Condominium in consultation with your architect pursuant to the foregoing formula.

We have not independently verified the accuracy of statements made to us by you or the statements made to us by World Class nor have we verified the accuracy of

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And Bryan Cave,
A Multinational Partnership,
London

the calculations of Common Interest provided by you to us. We have, however, relied on and assumed the accuracy of these representations and calculations in rendering our opinion.

If the representations made by you to us and by World Class to you are true and correct as of the date of the Declaration, and if indeed the Common Interest appurtenant to Units in the Condominium set out in the Declaration is calculated in a manner consistent with Condominium Act Section 339-i(1)(iv), then compliance with the Condominium Act Section 339-i(1) will have been achieved.

Very truly yours,

Bryan Cave LLP

Bryan Cave LLP

EXHIBIT 1

World Class Management, Inc.
1862 East Tremont Avenue ◆ Bronx, New York 10460 ◆ (718) 239-7145 ◆ Fax: (718) 239-7217

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-1

February 28, 2005

Harlem Infil, LLC
28 E 28 Street 9th Fl.
New York, New York 10016

Re: 374 Manhattan Condominium
316-318 West 116th Street
New York, New York ("the condominium")

To Whom It May Concern,

The undersigned has been duly licensed by the state of New York to transact business as a Real Estate Broker, No. 154686. Experienced in preparation of offering plans and the sale of condominium and cooperative apartments. (See Corporate Profile)

At your request in consultation with you and your architect, we have determined the percentages of Common Interest to be allocated to each of the Condominium Units at the Condominium. The percentages of interest of the Units in the Common Elements have been determined in accordance with Real Property Law Section 339-(1). To wit, such Common Interest is based upon the approximate floor space of a Unit subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the Unit. These projected Common Interest percentages are to be incorporated into the declaration as and when recorded in compliance with the Condominium Act.

Very truly yours,

By: Stuart J. West
Name: Stuart J. West
Title: President

Sworn to before me this
2 day of March, 2005

Grayson Walker
Notary Public

Grayson Walker
Notary Public, State of New York
No. 4692628
Qualified in Westchester County
Commission Expires April 30, 2007

"If not a licensed broker, specify other qualifications as an expert in this area.

11. ESCROW AGREEMENT FOR CONTRACT DOWN PAYMENTS

374 MANHATTAN CONDOMINIUM
316 WEST 116TH STREET
NEW YORK, NEW YORK 10026

AGREEMENT made this 24th day of February 2005 between **HARLEM INFIL LLC** having an address c/o CPC., 28 East 28th Street, New York, New York 10003 ("**Sponsor**") and MALLIN & GOLDSTEIN LLP, having an address at 132 Nassau Street, Suite 522, New York, New York 10038 ("**Escrow Agent**"). PC

WHEREAS, Sponsor is the Sponsor under the offering plan (the "**Offering Plan**") for the sale of condominium units (the "**Units**") at 374 Manhattan Condominium, located at 316 West 116th, New York, New York (the "**Premises**"); and

WHEREAS, Sponsor will enter into agreements to sell Units to purchasers under the Offering Plan (individually a "**Purchase Agreement**" and collectively the "**Purchase Agreements**"); and

WHEREAS, Escrow Agent has been requested by Sponsor to act as an escrow agent under the Offering Plan in accordance with General Business Law ("**GBL**") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder (the "**Regulations**") with respect to down payments made by purchasers (the "**Purchasers**") pursuant to Purchase Agreements entered into with Sponsor to purchase Units at the Premises.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereto agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 Escrow Agent shall establish an escrow account for the purpose of holding deposits or payments made by Purchasers under Purchase Agreements entered into pursuant to the Offering Plan (the "**Escrow Account**"). As set forth in the Offering Plan, the Escrow Account in which contract down payments will be deposited will be opened at HSBC Bank USA (the "**Bank**") in the branch located at 110 William Street, New York, New York.

1.2 The name of the Escrow Account will be "374 Manhattan Condominium - Attorney Trust Account " (or similar, with the name or address of the Premises included).

1.3 Specified members of the firm comprising Escrow Agent will be the sole signatories on the Escrow Account.

1.4 The Escrow Account shall be an interest-bearing account as disclosed in the Offering Plan. Escrow Agent will arrange for interest earned on monies deposited in the Escrow Account to be paid to the party entitled to the interest as disclosed in the Offering Plan. The Escrow Account is not an IOLA pursuant to Judiciary Law § 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from Purchasers prior to closing under their Purchase Agreements, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be delivered by Sponsor to Escrow Agent to be deposited in the Escrow

Account. All instruments to be deposited into the Escrow Account shall be made payable to the order of "Mallin & Goldstein LLP, as Escrow Agent." Any instrument payable other than as required hereby, and which cannot be deposited into the 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 (or if applicable, within five (5) business days after said instrument has been returned to Escrow Agent by the depository as unpayable). Delivery shall be deemed made if the instrument is delivered to Purchaser personally or mailed to Purchaser at the address set forth in the Purchase Agreement, whether or not it is actually received by Purchaser. Delivery shall be deemed made on the date mailed. 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 five (5) business days after Purchaser's tender to Sponsor of the deposit together with a fully executed Purchase Agreement and expiration of any rescission period granted by Sponsor to Purchaser, the funds shall be delivered by Sponsor to Escrow Agent for deposit in the Escrow Account. Within ten (10) business days after Escrow Agent has received the funds and an original completed Form W-9 or Form W-8, as applicable, executed by Purchaser or by Purchaser's designated interest-recipient as described in the Plan, Escrow Agent shall notify Purchaser of the deposit of such funds in the Bank and shall provide the account number and the initial interest rate, if applicable. If Purchaser does not receive notification of such deposit within fifteen (15) business days after Purchaser's tender of the deposit and Purchase Agreement to Sponsor, delivery of a completed and executed Form W-9 or Form W-8, as applicable for the interest recipient, and expiration of any rescission period granted to Purchaser by Sponsor, Purchaser may cancel the purchase and rescind the Purchase Agreement, or may apply to the Attorney General for relief. Any such rescission must be exercised no later than ninety (90) days after Purchaser's tender to Sponsor of the deposit and executed Purchase Agreement. 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 the foregoing and requisite notice was timely mailed to Purchaser.

3. RELEASE OF FUNDS.

3.1 Escrow Agent shall not release the escrowed funds of a defaulting Purchaser until after consummation of the Offering Plan as defined in the Attorney General's regulations. Consummation of the Offering Plan shall not relieve Sponsor of Sponsor's fiduciary obligations pursuant to GBL Section 352-h.

3.2 Escrow Agent shall continue to hold the funds in escrow until the earlier of: (a) closing under a Purchase Agreement, in which event the funds may be paid to Sponsor (or anyone Sponsor designates or directs) without further authorization of Purchaser required, (b) Purchaser's permitted rescission of a Purchase Agreement, in which case the funds will be paid to Purchaser, (c) Sponsor's termination of the Purchase Agreement following Purchaser's continuing default under the Purchase Agreement after delivery to Purchaser by Sponsor of a notice of default and expiration of the applicable cure period (in which event the funds may be paid to Sponsor), (d) otherwise directed in writing signed by both Sponsor and Purchaser directing disposition of such funds, (e) otherwise directed by a determination of the Attorney General pursuant to the dispute resolution procedures in the Regulations, (f) otherwise directed by a judgment or order of a court of competent jurisdiction directing disposition of such funds, (g) the Escrow Agent is changed in connection with a transfer of funds to a new escrow agent in accordance with ¶ 9 of this Agreement, (h) released pursuant to the Regulations of the Attorney General pertaining to release of escrowed funds, as incorporated

into ¶ 3.4 below, or (i) Sponsor's abandonment of the Plan. Interest earned on funds held in the Escrow Account shall be paid as described in the Plan.

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

3.4 If there is no closing under a Purchase Agreement and there is no written agreement between the parties to release the escrowed funds, or if release is not otherwise authorized pursuant to the provisions of ¶ 3.2 or ¶ 3.3 of this Agreement, Escrow Agent shall not pay the funds to Sponsor until Escrow Agent has sent Purchaser at least ten (10) business days prior written notice to the last address listed in the Purchase Agreement. For purposes of this provision, notice shall be deemed given if actually delivered to Purchaser or Purchaser's counsel at the address set forth in the Purchase Agreement, whether or not it is actually received, and shall be deemed given five (5) business days after the day mailed, if it is mailed. Thereafter, the funds may be paid to Sponsor unless Escrow Agent has received prior written notice from Purchaser that Purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Regulations and has so notified Escrow Agent in accordance with such provisions. Escrow Agent shall be entitled to act upon any document believed by it in its reasonable judgment to be genuine.

4. RECORD-KEEPING.

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

4.2 Upon the dissolution of Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for 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 arrangement.

4.3 Sponsor agrees that Escrow Agent shall make available to the Attorney General, upon his or her request, all books and records of Escrow Agent then available relating to funds deposited and disbursed hereunder. Sponsor shall pay all expenses and costs incurred by Escrow Agent arising out of the provisions of Paragraphs 4.2 and 4.3 of this Agreement.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 Escrow Agent shall maintain the Escrow Account 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.

5.3 Escrow Agent or any member of its firm shall be permitted to act as counsel for Sponsor in any dispute as to the disbursement of any deposits or payments or any other dispute between the parties, whether or not Escrow Agent is in possession of such deposits or payments and whether or not Escrow Agent continues to act as Escrow Agent.

6. **RESPONSIBILITIES OF SPONSOR.**

6.1 Sponsor agrees that Sponsor and its agents, including any selling agents, shall immediately deliver to Escrow Agent all deposits and payments received by them prior to closing of an individual transaction.

6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Regulations.

7. **INDEMNITY AND DISPUTES.**

7.1 In the event Escrow Agent, before the release of escrow funds attributable to a particular Purchase Agreement in accordance with this Agreement, receives or becomes aware of conflicting demands or claims with respect to said escrow funds or the rights of any party with respect thereto, or any funds, securities, property or documents deposited herein or affected hereby, or if Sponsor becomes indebted to Escrow Agent, or for any other reason in its sole discretion, Escrow Agent shall have the right to discontinue any and all further acts on its part until such conflict is resolved to its satisfaction.

7.2 Escrow Agent shall have the further right but not the obligation to commence or defend any action or proceeding for the determination of such conflict. Sponsor agrees to indemnify Escrow Agent and pay all costs, damages, judgments and expenses, including attorneys' fees and disbursements, suffered or incurred by Escrow Agent in connection with or arising out of this Escrow Agreement, including, but without limiting the generality of the foregoing, a suit in interpleader brought by Escrow Agent, or proceedings or actions brought by any Purchaser(s) or the New York State Department of Law, or the expenses of maintaining or administering the Escrow Account in accordance with this Agreement (including, without limitation, the aliquot portion of Escrow Agent's expenses for overhead, staff and equipment in connection with such activities), and such other expenses as may be determined by Escrow Agent. In the event Escrow Agent files a suit in interpleader, Escrow Agent shall thereupon be fully released and discharged from all further obligations to perform any and all duties or obligations imposed upon Escrow Agent by this Agreement.

7.3 Escrow Agent is hereby given a lien on all right, title and interest of Sponsor in the escrowed funds in the Escrow Account and monies arising therefrom, to protect, indemnify and reimburse Escrow Agent for all costs, expenses and liabilities arising out of this Agreement.

8. **LIABILITY OF ESCROW AGENT.**

8.1 Escrow Agent shall not be liable for any error of judgment or for any act done or omitted by it in good faith, or for anything which it may in good faith do or refrain from doing in connection with its obligations under this Agreement, nor for any negligence other than its gross negligence, nor shall Escrow Agent be answerable for the default or misconduct of its agents, attorneys or employees if they are selected with reasonable care, or the banking institution in which the escrow funds are deposited. No liability will be incurred by Escrow Agent if, in the event of any dispute or question as to its duties or obligations hereunder, it acts in accordance with written advice of legal counsel. Escrow Agent is authorized to act upon any document believed by it to be genuine and to be signed by the proper party or parties, and will incur no liability in so acting.

8.2 Escrow Agent shall not be liable to Sponsor for any loss occasioned by any right of rescission accruing to a Purchaser and arising out of Escrow Agent's performance or failure of performance hereunder.

9. TERMINATION OF AGREEMENT.

9.1 This Agreement shall remain in effect unless and until it is cancelled:

(a) By written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity; or

(b) By the resignation or withdrawal of Escrow Agent upon written notice to Sponsor. Sponsor agrees to file an amendment to the Offering Plan to describe the occurrences described in ¶ 9.1(a) or 9.1(b) of this Agreement immediately upon their occurrence, but the failure to file such amendment shall not prevent the effectiveness of such cancellation, resignation or withdrawal; or

(c) By virtue of all Apartments offered pursuant to the Offering Plan having been sold and all sales transactions having been consummated.

9.2 Upon termination of the duties of Escrow Agent as described in Paragraph 9.1 above, Escrow Agent shall deliver any and all funds held by it in escrow and any and all Purchase Agreements and associated documents maintained by Escrow Agent to the new escrow agent, if there be one, or to a court of competent jurisdiction, as applicable.

10. SUCCESSORS AND ASSIGNS.

10.1 This Agreement shall be binding upon Sponsor and Escrow Agent and their successors and assigns.

11. GOVERNING LAW.

11.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York. Sponsor and Escrow Agent agree to the jurisdiction and venue of the courts located in the County and State of New York.

12. ESCROW AGENT'S COMPENSATION.

12.1 Sponsor agrees that Escrow Agent's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to Escrow Agent, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance, unless and until Sponsor becomes entitled to such funds pursuant to the provisions of this Agreement.

13. SEVERABILITY.

13.1 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.

14. MISCELLANEOUS

14.1 Wherever delivery is required herein of a notice or check to Purchaser, it shall be deemed delivered to Purchaser if actually delivered to Purchaser's attorney or if mailed to Purchaser's attorney, whether or not it is actually received by Purchaser's attorney, with the date of receipt being deemed to be the date delivered, if delivered, or five (5) business days after the date mailed, postage prepaid, if mailed. Conflicts between this provision and other provisions in this Agreement shall be resolved in favor of this provision.

15. ENTIRE AGREEMENT.

15.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's Regulations, constitutes the entire agreement between Sponsor and Escrow Agent with respect to the subject matter hereof.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

16. COUNTERPARTS.

This agreement may be executed in any number of counterparts and each counterpart, when taken together with all other counterparts, shall constitute one and the same document.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

HARLEM INFIL LLC

By: Harlem Infil Corp., Member

By: _____
Name: Phillip Morrow
Title: President

PC

MALLIN & GOLDSTEIN LLP

By: _____

PARTNER

12. FORM OF APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWN PAYMENTS

[Send this Application to the reviewing attorney assigned to the subject plan.]

Re: 374 Manhattan Condominium
316 West 116th Street
New York, New York 10026

AG File Number:_____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this Application:

1. Name of Applicant _____

2. Address of Applicant _____

3. Name, Address, and Telephone Number of Applicant's Attorney (if any) _____

4. This is an application for

[ ] return of down payment.
[ ] forfeiture of down payment.
[ ] other:_____

5. The project is

[ ] a conversion of occupied premises.
[ ] newly constructed or rehabilitated.
[ ] vacant (as is).

6. The project is structured as

[ ] a cooperative.
[ ] a condominium.
[ ] a homeowners association.
[ ] a timeshare.
[ ] other: _____

7. Name and Address of Sponsor: _____

8. Name and Address of Escrow Agent: _____

9. If down payments are maintained in an escrow account:

   (a) Name of account _____

   (b) Name and address of bank _____

   (c) Account number (if known) _____

   (d) Initial interest rate (if known) _____

10. If down payments have been secured by bonds:

   (a) Name and address of bond issuer or surety: _____

   (b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND.) If not included, explain:

_____

_____

_____

11. If down payments have been secured by a letter of credit:

   (a) Name and address of bank which issued the letter of credit: _____

   (b) Date of expiration of the letter of credit, if known:

12. Plan information:

   (a) Date of filing of plan: _____

   (b) Plan

      [ ] has been declared effective. Approximate date: _____
      [ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date: _____
[ ] has not closed.
[ ] don't know.

(d) Down payments are secured by

[ ] escrow account.
[ ] bonds.
[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of down payment(s): _____

(d) Total amount of down payment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____

_____

_____

_____

_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____

_____

_____

15. I am contemporaneously sending a copy of this Application to the following persons: _____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this Application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public 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: _____

13. CERTIFICATIONS

A. Sponsor
B. Sponsor's Architect
C. Sponsor's Budget Expert

CERTIFICATION BY SPONSOR AND PRINCIPALS OF SPONSOR

March 8
~~February~~, 2005

Investment Protection Bureau
New York State Department of Law
120 Broadway
New York, New York 10271

Re: 374 Manhattan Condominium
316 West 116th Street
New York, New York 10026

The undersigned do hereby state:

Harlem Infil LLC is the Sponsor of the Offering Plan for the Sale of Condominium Units in 374 Manhattan Condominium, located at 316 West 116th Street, New York, New York (the "**Plan**"). The undersigned are the Sponsor and the principals of Sponsor of the Plan.

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 20 and such other laws and regulations as may be applicable.

We have read the entire Plan. We have investigated the facts set forth in the Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Plan does, and that documents submitted hereafter by us which amend or supplement the Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:
(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statements made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

HARLEM INFIL LLC

By: Harlem Infil Corp., Member

By: _____
Name: Phillip Morrow
Title: President

_____
Phillip Morrow

_____
David Hirsch

_____
James Fillas

CPCR OPPORTUNITY FUND, LLC

By: CPC Resources, Inc., Manager

By: _____
Name: Kathleen Dunn
Title: EVP for Development

Sworn to before me this
8th day of ~~February~~ March, 2005

_____
Notary Public

LAUREN GIAMBRONE
Notary Public - State of New York
No. 01GI6104582
Qualified in QUEENS County
My Commission Expires JAN 26, 2008

AmeriSpec Inspection Service
80 Edgecombe Avenue NYC, NY 10030
212-368-5399/ 888-205-4663

CERTIFICATION OF SPONSOR'S ENGINEER PURUANT TO PART 20.4(c) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

New York State Department of Law
Investment Protection Bureau
120 Broadway, 23rd Floor
New York, New York 10271

July 19, 2005

Re: 374 Manhattan Condominium
316 West 116th Street
New York, New York 10026

The undersigned hereby certifies:

Harlem Infill, LLC, the sponsor of the offering plan to convert the captioned property to condominium ownership retained me to review a report prepared by Urban Architectural Initiatives (UAI) dated March 2, 2005 and revised June 30, 2005, a copy of which is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report. I visually inspected portions of the renovated property on July 15, 2005, and I examined the building plans and specifications prepared by UAI.

I am a licensed engineer in the State of New York in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report .

I have read the entire Report, and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report :

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that I examined;

AmeriSpec Inspection Service
80 Edgecombe Avenue NYC, NY 10030
212-368-5399/ 888-205-4663

(ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that I examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I:

(a) knew the truth;

(b) (b) with reasonable effort could have known the truth;

(c) (c) made no reasonable effort to ascertain the truth; or

(d) (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Certification is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property."

Elliot Hardie, P.E. 058324-1
Print Name and License Number



Sworn to before this
28 day of July 2005

Janice E Taylor
Notary Public

JANICE E. TAYLOR
NOTARY PUBLIC, STATE OF NY
LIC # 02TA6066355
QUALIFIED IN QUEENS COUNTY
COMMISSION EXPIRES NOV. 13, 2005

World Class Management, Inc.
1862 East Tremont Avenue ◆ Bronx, New York 10460 ◆ (718) 239-7145 ◆ Fax: (718) 239-7217

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET

March 8, 2005

New York State Department of law
120 Broadway
New York, NY 10271

Attention: Investment Protection Bureau

Re: 374 Manhattan Condominium
316 West 116th Street
New York, New York 10026

Dear Sir/Madam:

The undersigned hereby certifies:

The Sponsor of the Condominium Offering Plan for the captioned property (the "Plan") retained our firm to review Schedule B containing projections of the income and expenses for the first year of condominium ownership ('Schedule B"). Our certification is based on our experience in the management of residential cooperatives, condominiums and rental properties. We hold the following licenses related to property management: N.Y.S. License # 154686. Our experience in this field includes: see Corporate Profile.

We are engaged in the practice of property management. We currently manage many high-rise residential properties. Among those properties are: see Corporate Profile.

We understand that we are responsible for complying with Article 23A of the General Business Law and the regulations promulgated by the Attorney General in part 20 insofar as they are applicable to Schedule B.

We have reviewed Schedule B and investigated the facts set forth in Schedule B and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that Schedule B:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(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, ©) made no reasonable effort to ascertain the truth or (d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and penal Law.

WORLD CLASS MANAGEMENT, INC.

By: _____
Stuart J. West
President

Sworn to before me this 9
day of March, 2005

_____
Notary Public

Grayson Walker
Notary Public, State of New York
No. 4682628
Qualified in Westchester County
Commission Expires April 30, 2007

World Class Management, Inc.

A Corporate Profile



1862 East Tremont Avenue ◆ Bronx, New York 10460
(718) 239-7145 ◆ Fax: (718) 239-7217

World Class Management, Inc.

Table of Contents

Corporate Summary	1
Corporate Profile	2 & 3
Management Philosophy	4 & 5
Board of Directors	6, 7 & 8
Organizational Chart	9
Addendum	10

World Class Management, Inc.

1862 East Tremont Avenue ◆ Bronx, New York 10460 ◆ (718) 239-7145 ◆ Fax: (718) 239-7217

Summary

- Operations are from the main office in the Bronx.
- Licensed Real Estate Company, fully insured and bonded.
- Computerized network, providing complete accounting, financial and other reporting, including general ledger.
- Staff of 38, comprised of field supervisors, site managers, accountants, bookkeepers, superintendents, handymen and porters.
- Consultants and engineers on call when needed.
- Three landlord/tenant attorneys and a corporate lawyer on retainer.
- Operations center includes 24-hour, seven days a week service.
- Offer full and complete management financial and accounting services, or just consultation.

Corporate Profile

World Class Management Inc., is a new and exciting professional management company. We strive to provide the highest quality real estate management services for property owners and residents.

In order for ***World Class Management Inc.,*** to complete and manage at the highest level, it is necessary for all of our employees to receive appropriate education in concepts and skills. Seminars and monthly managers meetings provide additional learning for our staff. Our managers and assistants are certified property managers (CPM). Engineers and other housing consultants are available on call when needed.

Our operations center includes a 24-hour, 7-day a week service. Emergencies are handled immediately through our "always available" communications system.

Our company's objective is to provide the best possible service by giving continuous attention to detail. The Owners personally direct management at all properties.

Our most recent achievement was the successful "turn around" of a financially troubled 900-unit Mitchell-Lama development. A major problem was rent arrears of approximately Seven Hundred Thousand Dollars ($700,000.00). Five percent of apartments were vacant. Our client owed approximately 1.6 Million Dollars in accounts payable. In addition, we successfully improved relationships with dissatisfied tenants. We brought the building up to accepted physical standards by overseeing major repairs and necessary improvements.

We provide, but are not limited to the following services:

Administration

- Recruit, select, hire, supervise, evaluate and monitor site employees.
- Negotiate and/or renew residential and commercial leases.
- Screen and credit check all incoming residents.
- Conduct income reviews and recertifications for government subsidy programs.
- Negotiate and administer vendor service contracts;
- Negotiate union contracts.
- Handle difficult rent arrears and related problems. Institute legal actions (evictions) when necessary.
- Identify and negotiate all insurance coverage.

Operating/Maintenance

- Respond to residents' request for services.
- Provide for utility services.
- Develop and implement an energy conservation program.
- Oversee maintenance and heating plant and other mechanical systems and equipment.
- Establish a preventive maintenance program.
- Determine and provide for security needs.
- Conduct periodic apartment inspections to assess physical condition.
- Maintain vermin and pest control.
- Correct building code violations.
- Oversee janitorial and other housekeeping services.
- Coordinate senior citizen social/nutrition programs.

Accounting

- Establish and Maintain complete Financial Accounting Systems.
- Report to owners and agencies from our in-house computer.
- Prepare, obtain approval, and administer annual budget.
- Collect rents/maintenance charges, other charges and receivables.
- Prepare, analyze and evaluate financial reports.
- Establish bank accounts for depository of funds.
- Make disbursements to vendors.
- Aid in the preparation of annual financial statement with company's CPA.
- Administer any subsidy programs in effect.
- Responsible for purchasing and inventory control.

Management Philosophy

World Class Management Inc. is incorporated under the laws of the State of New York, as a licensed real estate company and is fully insured and bonded. Altogether, ***World Class Management Inc.*** has more than 25 years of housing management experience. We have managed assets of more that 100 Million Dollars and annual operating budgets in excess of 44 Million Dollars.

Our staff is comprised of a team of technically experienced and dedicated field supervisors, site managers, accountants, bookkeepers, data processing clerks and expediters, who work together in solving problems and servicing our clients' best interest. The diversity of our clients and their properties allows us to adapt our services to suit the needs of each building.

We work with co-op boards, real estate developers, financial institutions, non-profit organizations and governmental agencies. Whether your complex requires full and complete management services, financial and accounting, or just consultation, ***World Class Management Inc.*** has the experience and resources to do it correctly.

World Class Management Inc. has the capacity to effectively manage properties in all five boroughs of New York City, Long Island, and Westchester County. We provide "hands-on" service and have successfully managed more than 12,000 residential and commercial units. These properties varied in types as follows:

- Cooperatives and condominiums.
- Federal subsidized 236 and 221 D3, supervised by New York State Department of Housing and Urban Development Corporation.
- State Mitchell-Lama cooperatives and rentals, supervised by New York State Division of Housing.
- City rent control and rent stabilized, supervised by New York State Housing Preservation Department.
- Properties supervised by syndicates under the Low-Income Housing Tax Credit program.
- Financial institutions and privately owned real estate properties.

Properties, which we have managed, range from small to large multi-unit complex es. Regardless of size, all properties are prioritized and obtain the same degree of personal attention. We work with:

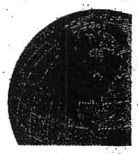
- Co-op/Condominium boards, including active participation in monthly board meetings and granting of our expertise in their decision makings.
- Tenant's associations, by working to resolve their concerns and coordinating residents' service programs.
- Community boards, to ensure adequate public services are provided to owners and residents.

World Class Management Inc. is an associate member of the community boards where the properties we manage are located. We stay abreast of community affairs and interact with government agencies.

Our policy is to maintain a clean, healthy and safe environment for our residents at all times. In our efforts to keep our buildings clean we pay keen attention to the experiences and recommendations of our maintenance staff. In keeping our residents safe and secure we endeavor not to succumb to crime and/or drugs in our developments. We have proudly maintained a reputation of effectively working in tight liaison with the local precincts in an effort minimize the exposure of such evils to our residents. Our management staff rigidly monitors the access of outsiders to our buildings by ensuring that sound locks are placed on the main entrance doors and other doors leading to the building.

During our 25 years of managing properties, there has not been a problem we have not been challenged by...and resolved successfully. ***World Class Management Inc.*** has demonstrated the ability to handle everything including management of the physical asset, marketing and leasing, rent management, cash flow problems, financial reporting and controls, as well as other related real estate concerns.

Board of Directors Profile



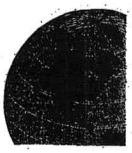
Stuart J. West, President
23-3 Woods Brooke Circle
Ossining, New York 10562

Stuart J. West, as General Manager, has more than 15 years of housing management experience. He was the General Manager of a large 5860 Mitchell-Lama cooperative housing development with two commercial malls and professional suites. He was responsible for the administration of an annual budget of $45,000,000, supervision of 350 maintenance and administrative staff, coordination of the operation of an in-house power plant; general maintenance of 20 buildings and coordination of the senior citizens programs.

Mr. West was also General Manager for and/or manager of several management companies where he was responsible for review of asbestos assessment, construction and operation of major capital improvements, maintaining contact with owners and boards, communicating to them the nature and extent of problems and emergencies as they occurred. He also assessed the need for contractual services at the lowest possible cost. He was responsible for compliance with administrative, building and environmental codes of the city of New York, the development and implementation of energy conservation programs and the development of in-house training programs for custodians, thereby increasing productivity and reducing turn-around time for requests for services.

Mr. West is a graduate of Fairmont State Teachers College in West Virginia. He is a Certified Public Housing Manager, certified Apartment Manager, and a member of the New York Association of Realty Managers. He is also a member of the Associated Builders of Greater New York Inc..

Board of Directors Profile



Linda E. West
Vice President
820 Boynton Avenue
Bronx, New York 10473

Linda E. West, as Property Manager has more than 10 years of Housing Management experience. She serves as the Property Manager of a 900 unit Mitchell Lama rental development. Just some of her responsibilities are collections of all receivables and reducing rent arrears. Also preparing bid packages for capital improvements. The development is a viable multi million dollar corporation.

Ms. West is also responsible for twenty seven (27) union employees, union negotiations building inspections, liaison between vendors, contractors and upper management. Ordering and purchasing all maintenance and building supplies. Monitoring all work order request and weekly staff payroll.

Ms. West has much experience with Tenant Associations, Board of Directors, Youth Centers and Senior Citizen Programs.

Ms. West is a graduate of Monroe Business Institute in New York City. She is a Registered Apartment Manager (RAM), and has successfully completed the Certified Advanced Maintenance Practice. She is also a member of the Associated Builders of Greater New York Inc. and the New York Association of Realty Managers (NYARM).

Board of Directors Profile

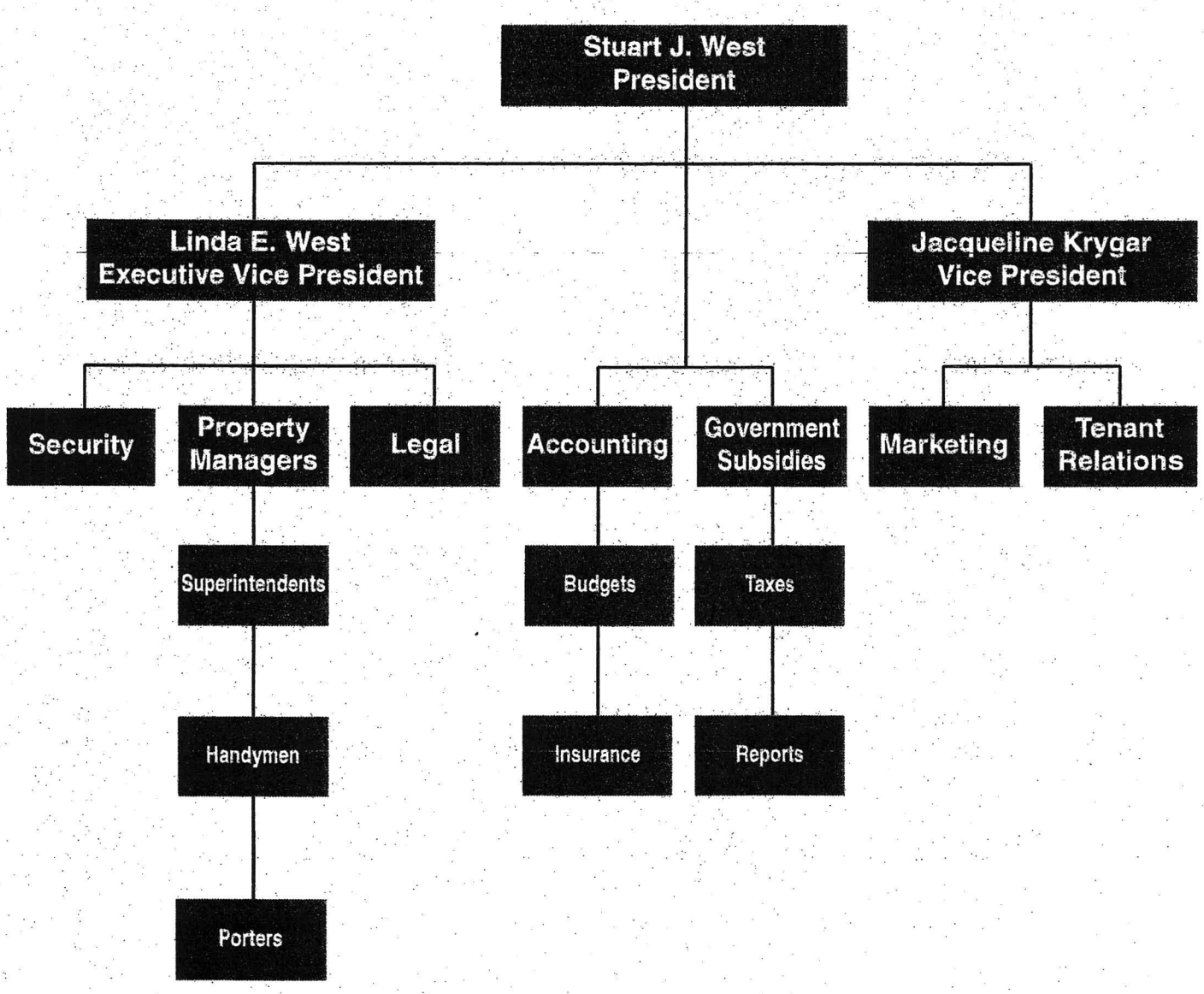


Jacqueline Krygar, Vice President
Licensed Real Estate Broker
500 West 111th Street
New York, New York 10025

Ms. Jacqueline Krygar brings more than ten years of experience in property management. A licensed Real Estate Broker, she has been involved in all aspects of real estate, both residential and commercial, putting together several multi million dollar contracts. Ms. Krygar owned and managed a multi-unit residential complex while operating her own real estate brokerage company. She has negotiated major leases for commercial tenants, interacted with building house council and board committees, created residential handbooks and employee guideline handbooks, and attends community liaison meetings.

Prior to a successful real estate career, Ms. Krygar, a graduate of Moore College in Philadelphia, managed a major retail store chain with responsibilities of 1000 stores across the country and budgets in excess of 150 million dollars. Ms. Krygar has completed her certification in property management and is a member of the National Association of Real Estate Brokers Inc., and the Association of Builders and Owners of Greater New York Inc.

Organizational Chart



ADDENDUM

As of February 2003, through long and arduous negotiations with any number of adversaries and the United States Housing and Urban Department (HUD) we were awarded a sizeable troubled development located in the South Bronx area known as Diego Beekman Mutual Housing Association. The sites consist of (38) Buildings (1210) Units, (11) Commercial spaces, (15) Administrative Staff, (44) Maintenance Staff and (40) Security Agents.

The pertinacious of the aforementioned, was our ability, because of our long time relationship with the Local 32BJ Union to hammer out a positive contract, especially for the owners. In less than a half dozen sessions, we were able to convince the Union that the labor force and labor rates must be significantly reduced. As HUD was in control of the property and with "deep pockets", private industry could not, should not and would not compete with their pricing structure.

The negotiations are final, the contract ratified, the Union and labor force satisfied and most important the Owners are pleased. Lastly, the site continues, on a daily basis, to show outstanding progress throughout the property.