THIS PLAN HAS BEEN AMENDED - SEE INSIDE COVER

CONDOMINIUM OFFERING PLAN
For

THE 331 EAST 8TH STREET CONDOMINIUM

331 EAST 8TH STREET
NEW YORK, NEW YORK

TOTAL PURCHASE PRICE OF 5 RESIDENTIAL UNITS: $7,220,000

SPONSOR:

331 e 8 Associates LLC
c/o Helix Partners LLC
40 Worth Street, Mezzanine Level
New York, New York 10013

SELLING AGENT:

Douglas-Elliman
60 East 56th Street
New York, New York 10022

Date of Acceptance For Filing: September 30, 2005

This Offering Plan may not be used after September 29, 2006, unless extended by an Amendment to the Offering Plan.

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

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

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A. SPECIAL RISKS

(Capitalized Terms Used In This Special Risks Section Are Defined in Section C Of This Plan)

1. *Control by Sponsor of Board and Over Certain Expenditures*

The Sponsor will have the right to control the Condominium Board of Managers until the Sponsor (or its designee) has conveyed 80% of the Units to unaffiliated third-party purchasers, but in no event more than three (3) years following the closing of title to the first Unit (the "Sponsor Control Period"). Following the expiration of the Sponsor Control Period, the Sponsor will nevertheless be entitled to appoint one (1) member of the Board of Managers for so long as Sponsor shall continue to own any Unit and the Sponsor shall be entitled to cast the votes appurtenant to the Unsold Units in favor of such candidates for the Board of Managers in like manner as any other Unit Owner, provided, however, that the Sponsor shall not vote for persons related to or under the control of the Sponsor if to do so would result in a majority of the members of the Board of Managers being persons related to or under the control of the Sponsor. Through its control of the Board of Managers, the Sponsor will be able to control the operation of the Condominium, including such decisions as whether to increase Common Charges, change the services provided and the use of the Working Capital Fund.

Notwithstanding the expiration of the Sponsor Control Period, so long as the Sponsor shall continue to own any Unsold Unit, the Board of Managers may not, without the prior written consent of the Sponsor, which consent may be withheld (i) make any addition, alteration or improvement to the Common Elements, Limited Common Elements or any Unit, or (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of the reserve, contingency or surplus fund, except the amount currently or reflected in the budget for the first year of Condominium operation (See Section H hereof), or (iii) borrow money on behalf of the Condominium, except to cure violations of law if and to the extent any existing reserve or Working Capital fund is inadequate, or (iv) hire any employee in addition to the employees referred to in the Footnotes to Schedule B (See Section H hereof), or (v) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the closing of title to the first Unit, except as required by the By-Laws or as contemplated by this Plan, or (vi) amend the Declaration or By-Laws of the Condominium. (See Section P for further details.)

2. *Sponsor's Right To Enter Into Service Contracts*

As of the date of this Plan, the Sponsor has not entered into any service contracts on behalf of the Condominium except for those described in Section H and Section V. During the Sponsor Control Period, the Sponsor reserves the right to cause the Board of Managers to enter into such service contracts on such terms as Sponsor deems appropriate, provided, however, that the significant terms of any such service contract shall be disclosed in a duly filed amendment to this Plan if the actual charges

payable under such service contracts significantly exceed the estimates therefor included in Schedule B (see Section H). If the actual costs do exceed the budgeted amount, it may be necessary to increase the Common Charges payable by the Unit Owners, including Sponsor. (See Section P for further details.)

3. *Purchase Agreements Not Contingent Upon Financing/Effective Date*

The Purchase Agreement in the form set forth as Document Number 2 in Part II of the Plan is not contingent upon the Purchaser obtaining financing nor does this Plan contain any provision requiring the Sponsor to provide or aid the Purchaser in obtaining financing for the purchase of a Unit. Accordingly, a Purchaser who is unable to tender the balance due at closing will be in default of his Purchase Agreement entitling the Sponsor to retain such Purchaser's down payment and all accrued interest thereon. The Sponsor does not make any representation as to the terms or availability of mortgage financing. Pursuant to existing law and regulation, the Sponsor may declare the Plan effective by selling a minimum of 15% of the Units. Purchasers should note that banks and other lenders are imposing various restrictions in connection with loans secured by condominium and cooperative apartments. Such restrictions include requiring that a certain percentage of the apartments in a building be sold before the lender will consider making a loan. This minimum amount may be greater than 15%. Accordingly, if the Plan is declared effective based upon the sale of 15% of the Units (See Section L), certain lenders may decline to make mortgage loans until additional Units are sold in which case, a Purchaser may have difficulty obtaining a mortgage loan. Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed and it could expire before the closing date without the payment by Purchaser of additional fees. Purchasers should also note that lenders may still impose minimum sales requirements before granting a loan well after the first Unit closing. It may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements. (See Sections K and M for further details.)

4. *Closing of Title and Adjournment Fees*

A Prospective Purchaser should be aware that **TIME IS OF THE ESSENCE** with respect to his obligation to tender the balance of the purchase price when due and to close title within the time period provided in his Purchase Agreement. Time is of the essence means that a Purchaser who fails to close title and tender the balance due on the date scheduled for closing will be in default and will not have an opportunity to adjourn the closing, except as expressly provided therein. The Sponsor may terminate the Purchase Agreement of a Purchaser who fails to cure such default within thirty (30) days of notice from the Sponsor of such default. Upon such termination, the Sponsor shall be entitled to retain any amounts theretofore tendered by the Purchaser to the Sponsor on account of the Purchase Price, together with any interest earned thereon, as liquidated damages. Although Sponsor is not obligated to grant a Purchaser's request for an adjournment of the closing date scheduled pursuant to the Purchase Agreement, if a Purchaser requests and Sponsor agrees to grant an adjournment of the closing date, all closing adjustments will be made as of the originally scheduled closing date and the

Purchaser will be charged interest on the Purchase Price from the originally scheduled date of closing through the actual date of closing at a rate of .03% per day (the "Adjournment Fee"). As a further condition, the Sponsor may require the Purchaser to post an additional 10% of the Purchase Price as a further down payment and to pay an estimate of the Adjournment Fee in advance of the closing. If Sponsor's counsel has already begun preparation of the closing documents, the Purchaser will also be required to reimburse the Sponsor for the cost of legal fees to revise the closing documents. A Purchaser may at his election and expense obtain title insurance from any title insurance company licensed to do business in New York. (See Sections M and N for further details.)

5. *Transfer Taxes and Related Fees*

This Plan provides that the Purchaser will be responsible for the payment of the New York City and New York State transfer taxes, ACRIS or other filing fees imposed by the City or State of New York, upon the conveyance of title to his Unit. These taxes are customarily paid by the seller of real property except that in the case of sales of new construction condominium units, these taxes are paid by the purchaser. (See Section N for further information and the amount of such taxes.)

6. *Assurance of Performance of Sponsor Obligations*

The assets and borrowing capacity of the Sponsor are sufficient to meet the obligations of the Sponsor hereunder. Such obligations include the costs of construction, payment of Common Charges, and real estate taxes on account of the Unsold Units, as well as the costs of obtaining a permanent Certificate of Occupancy. No bond or other form of security has been posted by the Sponsor to guarantee its performance of the obligations of the Sponsor hereunder. (See Section P for further details.)

7. *Sponsor's Right to Rent Unsold Units*

The Sponsor reserves the right to lease all or some of the Units on such terms as Sponsor shall in its sole discretion and from time to time elect. The Sponsor shall not be required to offer all Units for sale at all times and may withhold all or certain Units from the market as and when the Sponsor may elect. Because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen (15%) percent necessary to declare the Plan effective and owner-occupants may never gain control and management of the Condominium. In connection therewith, the Sponsor may place one or more signs or other promotional materials on the exterior walls of the Building or in front of the Building or elsewhere on the Common Elements of such size, nature and content as Sponsor shall determine for the purpose of advertising or displaying the availability of any Unsold Residential Unit for sale or lease, without restriction and without being subject to any charge or fee therefor. (See Sections K and P for further details.)

8. *Down Payments Held in Escrow*

All Down Payments will be held in escrow by Sponsor's counsel, Robert Castellano, Esq. having an office at 11 West 42nd Street, Suite 900, New York, New York, pursuant to the Escrow Agreement in the form contained as Document No. 9 in Part II of this Plan. Such Down Payments shall be maintained in a separate interest bearing account at Citibank at their branch located at 90 Park Avenue, New York, N.Y. Down Payments in excess of $100,000 are not FDIC insured. Neither Sponsor nor the Escrow Agent shall be liable for the loss of the Down Payment if Citibank shall become insolvent. Although Sponsor does not intend to undertake performing custom work or so-called "extras," in the event Sponsor shall agree to perform any extras, Sponsor may require the additional cost therefor to be paid in advance, which payment shall initially be deposited in the Escrow Account. Such payment or deposit for extras may be disbursed to Sponsor upon Sponsor's written request provided that Sponsor certifies in such written request that it will use the funds so disbursed to perform the extras. A Purchaser who is entitled to rescission will not be entitled to the refund of any portion of the Down Payment advanced to Sponsor for extras. (See Section K for further details.)

9. *No Reserve Fund*

Because the Units will be newly constructed, no reserve fund for repairs has been established by Sponsor. The budget for the first year of operation does include $3,000.00 for contingencies. Subject to the rights of Sponsor as provided herein, the Board of Managers may in the future elect to create a reserve fund through an increase in Common Charges or a special assessment. At the initial closing of each Unit, the Purchaser will be required to pay a one-time payment to the Condominium in an amount equal to two (2) months Common Charges as a contribution to the Condominium's Working Capital Fund. (See Sections N and U for further details.)

10. *Tax Abatement*

The Sponsor anticipates that Unit Owners will be entitled to receive tax abatement benefits pursuant to Section 421-A of the Real Property Tax Law of the State of New York. The Sponsor has received an opinion from Sponsor's Tax Counsel indicating that the Property will be entitled to such benefits upon completion of the construction and compliance with the applicable provisions noted in the opinion letter. The projections contained in Schedule A are presented both with and without 421-A benefits in the amount projected by Sponsor's Tax Counsel. However, neither Sponsor nor Sponsor's Tax Counsel can warrant that the benefits will actually be granted or the final amounts thereof. Purchasers should refer to Sponsor's Tax Counsel's Opinion reproduced herein as Document No. 7 for more details. (See Section T for further details.)

11. *Adjustments at Closing*

At the closing of the first Unit, customary adjustments will be made between the Sponsor and the Board of Managers. To the extent that such adjustments result in a net credit in favor of Sponsor, such credit shall be paid to Sponsor in twelve (12) consecutive monthly payments with interest at the rate of 10% per annum or, at the option of Sponsor, Sponsor shall be entitled to a credit against the Common Charges due from Sponsor on account of the Unsold Units. Because it is impossible to determine the amount of any net adjustment in favor of Sponsor, no provision for this has been made in the Budget for any such payment to Sponsor or credit in favor of Sponsor. If the net adjustment at closing is in favor of Sponsor, it may be necessary to increase the initial Common Charges payable by the Unit Owners for a limited period of time in order to reimburse Sponsor for any such prepaid adjustable items. (See Section N for further details.)

12. *Construction Schedules*

The Sponsor is constructing a building consisting of five (5) residential Units. The construction of the Building is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. Although construction is expected to be complete by January, 2006, no assurance can be given to any Purchaser with regard to the accuracy of any projected completion dates set forth herein. During the first few months of Condominium operation, construction workers and related personnel may be at the Property from time to time making adjustments and performing various tasks related to the completion of construction. Various systems, including but not limited to water supply, air conditioning, heating, and ventilation systems, elevators and windows may require several months after any Unit closing to complete and to adjust or balance properly and in the case of building systems or the elevators may need to be shut down temporarily while such work is being performed. All Units and Common Elements may not be completed prior to the First Unit Closing. The Offering Plan permits closing of title to Residential Units before the issuance of a permanent Certificate of Occupancy for the Building, provided that the Residential Unit to be transferred is substantially completed in accordance with the Plans and Specifications and a temporary Certificate of Occupancy covering the Unit to be closed has been issued. The Sponsor is obligated to complete all Residential Units and Common Elements (including the Residential Limited Common elements) as described in the Plan. A Residential Unit will be presumptively deemed completed in accordance with the Plans and Specifications upon the issuance of a temporary Certificate of Occupancy covering such Unit. Except as otherwise provided in the Section titled "Rights and Obligations of the Sponsor" in Part I as to the obligation of the Sponsor to correct certain construction defects, neither the Sponsor, the agents of Sponsor nor any successors of Sponsor under this Offering Plan make any warranty. The cost of any electricity Sponsor uses for work done to obtain a permanent Certificate of Occupancy shall be assessed to all Unit owners in proportion to their respective Common Interests. A Unit Owner will not be permitted to perform any alteration or improvement

to his Unit until such time as the Sponsor has obtained a permanent Certificate of Occupancy covering the entire Building. (See Sections B, H and P for further details.)

13. *Balconies and Roof Terrace*

Unit Owners whose Units have balconies shall not be permitted to enclose such balconies or otherwise alter the surface or railings without the prior written consent of the Board of Managers and the Sponsor, so long as the Sponsor shall own any Unit. So long as the Sponsor shall own any Unit having a balcony or roof terrace, the Board of Managers shall be responsible for maintaining the balcony and roof terrace free of snow, ice and ponding water and insuring that all roof drains are functioning. The cost of any repairs or replacements to the roof terrace, as determined by the Board of Managers, shall be assessed to all Unit Owners in proportion to their respective Common Interest. (See Section D for further details.)

14. *Initial Real Estate Tax Assessment*

The Sponsor has been advised by its tax counsel that the current practice of the New York City Real Property Assessment Bureau is to allocate the aggregate tax assessment for the entire Property existing as of the date of the recording of the Declaration among all Units in the relative proportion that the Purchase Price of each Unit bears to the Purchase Price of all Units and not in the proportion that the Common Interest that each Unit bears to the aggregate Common Interest which is the method to be used by the Board of Managers to determine the escrow amount to be paid by a Unit Owner prior to the time that the Units are separately assessed for real estate tax purposes. (See Notes 7/8 and 9/10 to Schedule A in Section F and Section N.)

15. *No Parking Provided*

No on-site or other parking will be provided to any Unit Owner.

16. *Balance of Purchase Price*

The balance of the Purchase Price (including the proceeds of any mortgage loan) will be payable on the closing of title by cashier's check, bank check, or certified check of the Purchaser, drawn on a bank or trust company which is a member of the New York City Clearing House Association, made payable directly to the order of Sponsor or in one or more checks as Sponsor shall designate CHECKS MADE PAYABLE TO PURCHASER OR TO ANY THIRD PARTY AND ENDORSED TO SPONSOR WILL NOT BE ACCEPTABLE – THERE WILL BE NO EXCEPTIONS. A Purchaser who tenders a non-conforming check will be deemed to have requested an adjournment of the closing and, in addition to the other provisions relating to an adjournment, will be required to pay Sponsor's attorney an adjournment fee of $350.00 to reschedule the closing.

17. *Title Insurance*

On request of any Purchaser and at Purchaser's sole cost and expense, Sponsor will obtain, as of the closing of title to a Purchaser's Unit, a policy of title insurance from Heights Abstract Ltd. (1-718-624-3100) as policy issuing agent for First American Title Insurance Company of New York (the "Title Company") insuring that (i) Purchaser has fee title to his Unit free and clear of all liens and encumbrances except those set forth in this Plan and standard exceptions generally excluded from coverage by the Title Company (see "Sponsor's Conveyance of Title to Units" in this Section) and except for any purchase money mortgage which Purchaser may obtain to pay any part of the purchase price of the Unit, subject to the provisions of the Declaration and By-Laws, and (ii) the Condominium has been validly created pursuant to Article 9-B of the Real Property Law of the State of New York, as amended. Any such title insurance will be in an amount equal to the purchase price for the Unit. The Purchaser, at his election and expense, may obtain title insurance from any other title insurance company licensed to do business in New York. A Purchaser shall not be entitled to adjourn the closing because its title company is not prepared to close title on such date.

18. *Adjournment Fee*

If, through no fault of Sponsor, a Purchaser fails for any reason to close title to his Unit on the originally scheduled closing date and Sponsor elects not to cancel such Purchaser's Purchase Agreement as a result thereof, (a) the closing apportionments described above will be made as of midnight of the day preceding the originally scheduled closing date regardless of when the actual closing occurs, (b) the Purchaser will be required to pay to Sponsor (i) as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and this Plan, an amount equal to 0.03% of the purchase price of his Unit for each day starting from and including the originally scheduled closing date to and including the day before the actual closing date, (ii) an additional amount equal to 10% of the Purchase Price which amount shall constitute a further Down Payment, and (iii) $350 to reimburse Sponsor for additional legal fees. The Sponsor may require that an estimate of the foregoing fees be paid in advance as a condition to adjourning the closing.

19. *Miscellaneous Special Risks*

(a) The By-Laws of the Condominium do not include a provision that, after an initial Sponsor voting control period, a majority of the Board of Managers must be owner-occupied who are unrelated to the Sponsor and its principals. Accordingly, purchasers, for their own occupancy, may never gain control of the Board of Managers under the terms of this Plan.

(b) The By-Laws of the Condominium do not include a provision that, after the initial Sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the

Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have interest conflicts on how the Condominium shall be managed because of their different reasons for purchasing, i.e. to purchase as a home as opposed to as an investment.

(c) If, after the first two (2) years of Condominium operation, the Condominium retains any building staff, Common Charges will increase to cover such expense. The Sponsor estimates that the cost of a part-time Superintendent working approximately twenty (20) hours per week will be approximately $13,000 per year. No representation is made that this figure will not increase.

(d) If, after the first year of Condominium operation, the Unit owners obtain boiler and/or elevator service contracts, Common Charges will increase to cover such expense. The Sponsor estimates that the cost of obtaining these service contracts shall be approximately $4,000 per year. No representation is made that this figure will not increase.

(e) The Purchase Agreement is not assignable by the Purchaser. Any purported assignment shall be void and shall constitute a default under the Purchase Agreement. The Sponsor may withhold consent in its sole discretion to any request for an assignment, or may impose such conditions, including the payment of a processing fee, as Sponsor shall deem appropriate. Prior to the closing of title to his Residential Unit, a Purchaser who advertises or otherwise promotes or publicizes the availability for sale or lease of such Unit shall be deemed in default under his Purchase Agreement.

(f) The cost of any electricity Sponsor uses for work done in obtaining a permanent Certificate of Occupancy shall be assessed to all Unit Owners in proportion to their respective Common Interests.

(g) Sponsor has no obligation to defend any suits or proceedings arising out of Sponsor's acts or omissions or to indemnify the Board of Managers and the Unit Owners, except that Sponsor shall defend suits brought with respect to a breach of representations made by Sponsor in this Plan.

(h) Below grade recreation rooms may not be used as bedrooms and doing so could result in violations being posted against the Building.

B. INTRODUCTION

1. *General*

331 e 8 Associates LLC, a New York limited liability company (the "Sponsor"), presents this Offering Plan (the "Plan") for condominium ownership of the land and building (collectively the "Property") located at 331 East 8th Street, New York, New York, to be known as "The 331 East 8th Street Condominium" (the "Condominium").

The Condominium will consist of five (5) residential, four (4) room, two (2) bedroom apartments (the "Residential Unit"). The Residential Units are collectively referred to herein as the "Units." Each Unit will also have the use of a portion of the storage room located on the cellar level. The Condominium will not contain any commercial or retail space. There are a total of seven (7) construction levels, consisting of the cellar and floors 1 through 6. The first floor Unit will have exclusive access to the rear yard, while the Units on floors 3 through 5 will have balconies.

All Units offered in the Plan are vacant as of the date of submission to the Department of Law.

Pursuant to the terms set forth in this Plan, the Sponsor is offering the Residential Units for sale (together with their respective appurtenant interests in the Common Elements of the Condominium).

The purpose of this Plan is to set forth all of the material terms of the offer to sell Residential Units. This Plan may be amended from time to time by the filing of an amendment with the New York State Department of Law. Any such amendment will be served on all Purchasers and Residential Unit Owners as may be required by law. Prospective Purchasers should refer to Section C of this Plan for the definition of certain capitalized words and phrases used herein.

This Plan is presented in two parts (both in this volume), which parts together with any subsequent amendments to the Plan, constitute the entire offering. Part I contains a general description of the offering and a summary of the basic documents used to purchase a Unit and to establish the Condominium. Part II contains the form 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 or engineer and its budget expert as to the truth and accuracy of certain information in the Plan for which they are each primarily responsible.

The Condominium will be organized pursuant to Article 9-B of the Real Property Law of the State of New York, as amended (the "Condominium Act"), upon the recording of a Declaration of Condominium and related By-Laws in the Office of the City Register, New York County and the filing of the Floor Plans with the Real Property Assessment Department.

This introduction is intended to describe many of the important highlights of this offering but does not summarize all of the Plan's relevant features. Prospective Purchasers should carefully read the entire Plan for a complete understanding of the material terms of this offering.

2. *Sponsor and Status of Construction*

The Sponsor acquired fee title to the Property on June 18, 2004. A construction permit was issued to Sponsor on December 13, 2004, and construction commenced shortly thereafter. Sponsor anticipates that construction will be substantially completed in January, 2006, and that a Temporary Certificate of Occupancy ("TCO") covering some or all of the Units will be issued in or about January, 2006. Because construction is a complicated process involving the availability and coordination of many people and is further subject to a multitude of factors beyond the Sponsor's control, such as, inclement weather, acts of God, labor disputes and unavailability of materials, the foregoing completion and TCO issuance dates are merely projections and not representations or warranties. The Sponsor has caused its Architect, Kutnicki Bernstein Architects and its consulting engineer, T K Engineering P. LLC to inspect the Building and to prepare a report of the Property and its condition following completion of construction entitled: Description of Property, Specifications and Building Condition (the "Property Report"). A copy of the Property Report is reproduced as Document No. 1 in Part II of this Plan.

Effective November 5, 2004, owners of Class A multiple dwellings in New York City, which include condominium units, must install carbon monoxide detectors. Sponsor will supply carbon monoxide detectors which Unit Owners shall maintain after closing.

3. *Features of Condominium Ownership*

The ownership of a Condominium Unit is similar in many respects to the ownership of a private home. The owner of a Residential Unit is sometimes referred to in this Plan as a "Residential Unit Owner." Each Residential Unit Owner owns fee title to his Residential Unit and is entitled to the exclusive possession of such Unit and the privilege to mortgage it, or not, as he sees fit and in such amount as he chooses. His Unit is not subject to the lien of any mortgages placed by other Unit Owners on their Units. Each Residential Unit Owner will be responsible for the maintenance of his Unit and may decorate the interior thereof as he desires. His Unit will be taxed as a separate tax lot for real estate tax purposes just as a private home and he will not be liable to the taxing authority for the failure of his neighbors to pay their taxes. Under present income tax laws, a Residential Unit Owner who uses his Residential Unit for personal residential purposes and itemizes income tax deductions may deduct from his income, for Federal, New York State and City income tax purposes, the real estate taxes assessed against his Residential Unit and if certain conditions are satisfied, the interest paid on mortgage indebtedness incurred to acquire his Unit. The tax aspects of owning a Condominium Unit are more fully addressed in Counsel's Income Tax Opinion Letter reproduced as Document No. 7 in Part II.

A Residential Unit Owner may use his Unit for any legal purpose consistent with applicable zoning ordinances and building codes, subject to the provisions of the Condominium Declaration, By-Laws and Rules and Regulations promulgated

thereunder, as amended from time to time. A Unit Owner may sell his Unit to anyone, subject to a right of first refusal in favor of the Board of Managers as more fully described in Section T and may rent his Unit to anyone upon notice to the Board of Managers, subject to certain rules and procedures with regard to the form of lease. However, the foregoing right of first refusal shall not apply to any sale or lease of a Unit to any person related by blood or marriage, or to a related business entity which is controlled by, or controls the Residential Unit Owner who offers his Residential Unit for sale or lease, or by Sponsor or its designee.

Each Unit Owner will own, in common with all other Unit Owners, an undivided percentage interest in all parts of the Property, other than the Units, and the installations, equipment, apparatus and facilities contained in or located on the Property that are to be used in common by or serve the owners of two or more Units (collectively called the "Common Elements"). The Common Elements include, without limitation, the "General Common Elements" (i.e., the Land, foundations, structural supports of the Building, the roof or roof terrace and workout/exercise room), and the Special Residential Limited Common Elements (i.e., storage room, rear yard or balconies appurtenant to specific Residential Units). See Section D for further details.

Sponsor, the Selling Agent and prospective purchasers and tenants of the Unsold Units shall have an easement over and through all of the General Common Elements for all purposes relating to the sale and rental of the Unsold Units, without being subject to any restriction, charge or fee therefor. Sponsor may use the Unsold Units and any portion(s) of the Common Elements designated by Sponsor for sales, renting, or display purposes, including placing on the exterior walls of the Building or in front of the Building or elsewhere on the Common Elements, one or more signs promotional and/or other materials of such size, nature and content as Sponsor shall determine for the purpose of advertising or displaying the availability of any Unsold Residential Unit for sale or lease, without restriction and without being subject to any charge or fee therefor.

Each Unit Owner may decorate the interior of his Unit in any manner that he desires, subject to compliance with the By-Laws and the Rules and Regulations promulgated pursuant thereto. Each Unit Owner will be solely responsible for the cost and expense of maintaining, repairing and painting his Unit and the Special Residential Limited Common Elements appurtenant to his Unit. No Unit Owner may enclose any terrace, balcony or yard unless he obtains the consent of the Board of Managers and, so long as the Sponsor owns any Unsold Units, the consent of the Sponsor. Such consent may be withheld by Sponsor in its sole and absolute discretion. If all require consents are given for a Unit Owner to perform work, the Unit Owner will be required to comply with all applicable laws and the By-Laws (which among other things requires the Unit Owner to sign an alteration agreement in form and content satisfactory to the Board of Managers).

The foregoing restrictions are not applicable to the Sponsor or its designee as the owner of Unsold Units who may make alterations, additions, improvements and

repairs (structural and non-structural), to its Units and appurtenant Limited Common Elements without approval of the Board of Managers, provided only, that all applicable laws are complied with and the structural integrity of the Building is not adversely affected in a material manner and provided further the Board of Managers and all other Unit Owners are indemnified against all loss, cost, liability or expense arising therefrom. (See Section R for a further discussion).

Subject to the right of the Sponsor to designate certain members of the Board of Managers, the Board of Managers will be elected by a vote of Unit Owners and will supervise and manage the affairs of the Condominium as specified in the Declaration and By-Laws. The Board of Managers will assess against every Unit Owner, in proportion to his Common Interest, charges for the cost of maintenance and operation of the General Common Elements of the Condominium (the "General Common Charges") in accordance with the Declaration and By-Laws and the Condominium Act (including Sections 339-i and 339-m thereof).

Gas and electricity shall initially be provided to the Building by Consolidated Edison, subject to the right of the Board of Managers to make arrangements with other utility providers, provided, however, that so long as the Sponsor shall own any Unit, the Board of Managers may not discontinue using Consolidated Edison as the exclusive utility vendor without the Sponsor's prior written consent which may be withheld in the Sponsor's sole discretion. Electricity for all Residential Units will be supplied through individual meters and it shall be the responsibility of each Unit Owner to make arrangements with the electricity vendor servicing the building. Each Residential Unit Owner will pay for the cost of electricity which he uses for such items as lighting, air conditioning, and operating electrical kitchen, laundry and other appliances. Electricity for the General Common Elements, if any, will be furnished by Con Edison through a separate meter and the cost thereof will be a General Common Expense.

Gas service for domestic hot water, cooking and clothes dryers will initially be provided by Con Edison through one or more master meters and the cost thereof shall be a General Common Expense.

Water for domestic use for the Residential Units will be supplied to the Building through a master meter and the cost thereof will be a General Common Expense.

Each Unit Owner will be individually responsible for the cost of any insurance which he may obtain in connection with the ownership of his Unit, including any liability insurance he may obtain for occurrences within his Unit or any casualty insurance which he may obtain to cover losses to the personal possessions located within his Unit and betterments made to the Unit which would not be covered by the master policy to be maintained by the Condominium.

4. *Offer to Sell*

The Sponsor hereby offers the Residential Units for sale in accordance with the terms of this Plan. The purchase prices for the Units are listed in Schedule A contained in Section F. **THESE PRICES HAVE BEEN SET BY THE SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY GOVERNMENTAL AGENCY.**

The estimated Common Charges and the estimated real estate taxes for each Residential Unit for the first year of operation of the Condominium are also set forth in Schedule A.

This offering is made to individuals over the age of 18 years and to corporations, partnerships or any other entities with legal capacity to own real property in the State of New York. The Sponsor reserves the right to rent Residential Units on such terms and on such conditions as it in its sole discretion shall deem appropriate whether to a prospective purchaser or an interim basis or otherwise.

No binding obligation on the part of the Sponsor to sell a particular Residential Unit shall arise unless and until a Purchase Agreement, executed by both purchaser and Sponsor (or its agent), has been exchanged. Sponsor reserves the right to determine the order in which Units are sold and to limit the number of Units sold during any particular time. Sponsor has the right to reject any prospective purchaser without cause or explanation, provided that such rejection is not based on race, creed, color, age, sex, disability, marital status, national origin, ancestry, or any other ground proscribed by law. Further, Sponsor reserves the right to limit the number of Residential Units which may be purchased by a particular purchaser of purchaser's family. In addition, Sponsor has the right to make bulk sales of Residential Units and to sell Units to purchasers who intend to lease rather than personally occupy them. As a result, certain Residential Units may be occupied by tenants instead of owners. Sponsor will not sell a Residential Unit which is then currently or has previously been occupied, unless the Purchase Agreement for that Residential Unit reflects that it is or has been occupied.

Parts I and II of the Plan, including all Schedules, amendments and Parts A, B and C of the Exhibits filed with the Department of Law, constitute the entire terms of the Sponsor's offer. Copies of these materials will be available at the office of the Sponsor for examination by prospective Purchasers and their attorneys without charge during normal business hours. Copies of the Plan and all filed amendments will also be available for inspection and copying at a reasonable charge at the New York State Department of Law. All of the documents referred to in this Plan are important.

THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING

PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING AN AGREEMENT TO PURCHASE A CONDOMINIUM UNIT.

C. DEFINITIONS

The following definitions are presented for explanatory purposes to facilitate review of this Plan and should be read in conjunction with the technical definitions appearing in the Declaration and By-Laws, both of which appear in Part II of this Plan. Other important terms are explained by their context in the Plan.

1. *Board of Managers* – The governing body of the Condominium elected by the Unit Owners, which will conduct the affairs and supervise the operation of the Property. The Board of Managers is sometimes referred to herein as the "Board."

2. *Building* – The structure which will contain the Residential Units located at 331 East 8th Street, New York, New York, the subject of this Plan.

3. *Budget Expert* – D & D Management Services Corp. having an address at 6900 Eighth Avenue, Brooklyn, New York 11228.

4. *By-Laws* – The document governing the operation of the Condominium, the form of which is set forth as Document No. 6 in Part II of this Plan.

5. *Common Charges* – The charges payable by all Unit Owners to meet the financial obligations of the Condominium, including among other things, the operation and maintenance of the General Common Elements.

6. *Common Elements* – All portions of the Property other than the Units, including without limitation the land, the roofs, walls and structural supports of the Building, and certain other portions of the Building to be set aside for the common use of all Unit Owners as set forth in the Declaration. This term includes the General Common Elements and Special Residential Limited Common Elements.

7. *Common Interest* – The proportionate undivided interest in fee simple, expressed as a numerical percentage, in the Common Elements which is appurtenant to each Unit and is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit. The aggregate Common Interest for all Units is 100%.

8. *Condominium Name* – The 331 East 8th Street Condominium (subject to the right of Sponsor to change such name).

9. *Consulting Engineer* – T.K. Engineering P. LLC having an office at 16 Tyran Street, Commack, New York 11724.

10. *Counsel to Sponsor* – Robert Castellano Esq., having an office at 11 West 42nd Street, New York, New York 10036, with respect to matters pertaining to this Plan.

11. *Declaration* – The recorded written instrument by which the Property will be submitted to the provisions of the Condominium Act, as such instrument may from time to time be amended. The form of Declaration is set forth herein as Document No. 5 in Part II.

12. *Effective Date* – The date on which the Sponsor declares the Plan effective. See "Effective Date" Section L.

13. *Floor Plans* – The floor plans of the Building prepared by Sponsor's Architect which will be filed with the Real Property Assessment Department of The City of New York and the Office of the City Register, New York County.

14. *Force Majeure* – Weather, floods, epidemics, quarantine restrictions, strikes, lockouts, acts of God, freight embargoes, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire, civil commotion, or the elements or any other cause over which the Sponsor does not have reasonable control.

15. *Limited Common Elements* – The general term used to refer to a Common Element appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units. As of the date of the Plan, the only Limited Common Elements are the Special Residential Limited Common Elements.

16. *Managing Agent* – The entity which will manage the Property on behalf of the Board of Managers. The initial Managing Agent is anticipated to be D & D Management Services Corp. having an address at 6900 Eighth Ave., Brooklyn, New York 11228.

17. *Permitted Encumbrances* – Encumbrances affecting title to a Unit which a Purchaser agrees to take subject to as set forth in the Form of Deed contained herein as Document No. 4 in Part II.

18. *Plans and Specifications* - The Plans and specifications for the Building and site work prepared by Kutnicki Bernstein Architects, and filed with the Department of Buildings and other agencies of the City of New York, as amended or changed from time to time in accordance with this Plan and applicable provisions of municipal agencies having jurisdiction thereof.

19. *Property* – The land and the Building, including any other improvements located thereon, which comprise the Condominium.

20. *Purchase Agreement* – The Agreement to purchase a Residential Unit pursuant to the Plan, the form of which is set forth as Document Number 2 in Part II. A "Purchaser" is a signatory to a Purchase Agreement.

21. *Special Residential Limited Common Elements* – Those portions of the Common Elements which serve one or more but not all Residential Units such as yards, balconies and terraces.

22. *Sponsor* – The term "Sponsor or its designee" "Sponsor or a designee of Sponsor," or similar terms shall include Sponsor or any affiliate of Sponsor or any person or entity designated by Sponsor to act for or on behalf of Sponsor in connection with the Condominium and/or the Board of Managers and/or the Plan.

23. *Sponsor's Architect* – Kutnicki Bernstein Architects having an office at 96 Spring Street, New York, New York 10012.

24. *Sponsor Control Period* – The period beginning with the closing of title to the first Residential Unit and ending on the earlier of (i) 3 years after the first closing, or (ii) the closing of title under this Plan to 80% of the Residential Units.

25. *Structural Engineer* – Bevan Lawson P.E., having an office at 2201 Pennsylvania Avenue, Philadelphia Pa.

26. *Mechanical Engineer* - T.K. Engineering P. LLC having an office at 16 Tyran Street, Commack, New York 11724.

27. *Tax Counsel* - Craig F. Meltzer, Esq., 11 West 42nd Street, Suite 900, New York, New York 10036.

28. *Tax Expert* - Jacob Moseson, Moseson & Associates, 769 Empire Avenue, Far Rockaway, New York 11691.

29. *Unit* – A part of the Property to be owned exclusively by a Unit Owner which shall refer generally to Residential Units.

30. *Unit Owner* – The person or persons owning a Unit in fee simple. The owner of a Residential Unit shall be referred to as a "Residential Unit Owner."

31. *Unsold Units* – Any Residential Unit, title to which has not been conveyed from Sponsor or a designee of Sponsor to a third party purchaser.

D. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The following is a general description of the Property, including the Building, Units and Common Elements. Reference should be made to the Description of Property

and Specifications prepared and certified by the Structural Engineer and reproduced in full as Document No. 1 in Part II of this Plan, for a more detailed description.

1. *The Land*

The Land on which the Building is to be erected is located on East 8th Street between Avenue "B" and Avenue "C" in New York City. The Land is known by the street address of 331 East 8th Street and by the tax address of Block 391, Lot 44 and consists of approximately 2,300 square feet. The Land is located in the Tompkins Square section of New York City.

2. *The Building*

The Property will be improved and the Units constructed, in accordance with all applicable zoning and building laws, regulations, codes and requirements of all governmental entities having jurisdiction, including, without limitation, the New York City Building Code and Zoning Resolution. The Sponsor estimates that construction will be substantially completed and a temporary Certificate of Occupancy issues in or about January of 2006.

3. *The Residential Units*

The number of rooms, size, layout and approximate dimensions of Residential Units are subject to the right of Sponsor and its designee to change such items. Sponsor shall have no liability or responsibility to Purchasers nor shall any Purchaser be entitled to any reduction in or credit against the purchase price or otherwise be relieved from performing his obligations under the Purchase Agreement by reason of any minor inaccuracy or error in any advertising materials, plans, drawings or floor plans provided to Purchaser.

The areas of the Residential Units set forth in Schedule A and Exhibit C to the Declaration are approximate and may differ from the area of such Units based on the room dimensions set forth in the floor plans for the Residential Units which are reproduced as part of Document No. 1 in Part II. Each Unit consists of the area measured (1) horizontally from the outside face of sheathing on the front and rear walls of the building and from the centerline of the masonry wall on the side walls of the building, centerline of stair and elevator wall block and centerline of the common corridor portions on the first floor; and (2) vertically, consisting of the space measured from the top of the Unit's original sub-floor to the underside of the floor joists of the Unit above.

The Unit includes: (i) the interior walls, partitions and floor coverings and finished ceilings affixed, attached or appurtenant to such Unit, (ii) any and all equipment, fixtures and appliances (including without limitation, heating and plumbing facilities, sinks, bathtubs, water closets, refrigerators, ranges, dishwashers and any other fixtures and equipment), affixed, attached or appurtenant to such Unit and benefiting only that Unit (including without limitation, the air conditioning compressors and air handlers

located outside of the Unit, and (iii) any floor constituting a mezzanine or balcony contained within the Unit and any door leading from any balcony or terrace appurtenant to such Unit.

Perimeter and interior concrete columns, mechanical pipes and shafts have not been deducted for the purposes of computing the square footage of each Unit and therefore, the total square footage set forth in Schedule A and in the Declaration exceeds the Unit's usable square footage.

Prospective Purchasers are urged to carefully review the "Description of Property and Specifications" set forth as Document No. 1 in Part II, for a more complete description of the appliances, fixtures and finishes within each particular Residential Unit.

The Sponsor will not install optional or additional items in a Unit (herein sometimes referred to as "extras") or make changes within a Unit for the account of a Purchaser. Each Purchaser shall be responsible for decorating his own Unit. Certain alterations performed in a Residential Unit must be approved by the Board of Managers in accordance with the By-Laws and the contractor performing such work must be approved by the Managing Agent. No alteration work which would require the filing of a building notice or alteration application will be permitted until the Sponsor shall have obtained a permanent Certificate of Occupancy for the Building, notwithstanding the closing of title to any particular Unit.

There is no commercial or retail space in the Condominium.

4. *Common Interest*

Each Unit has appurtenant to it a proportionate undivided ownership interest in fee simple, expressed as a percentage in the Common Elements of the Condominium ("Common Interest") based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit, in accordance with Section 339i(1)(iv) of the Real Property Law. (See Note 5 to Schedule A for an explanation regarding the computation of Common Interest). Every Unit Owner will be responsible for his proportionate share of the Common Expenses of the Condominium based upon his Common Interest, and will have the same proportionate share of any common profits of the Condominium or any distribution upon termination or condemnation of the Condominium.

5. *Common Elements*

The Common Elements of the Condominium consist of all portions of the Land and Building other than the Units and are divided into the following sub-categories:

I. General Common Elements

The General Common Elements consist of the Land and all portions of the Building other than the Units and the Special Residential Limited Common Elements. The General Common Elements include, with limitation, the following:

A. All land, foundations, columns, beams and supports, including load bearing walls;

B. All roofs and roof areas, with the exception of that portion of the roof allocated to Unit 5;

C. All concrete floor slabs, subfloors, concrete ceilings and all public halls, stairwells, fire passages and doors, landings and stairs (except those, if any, located within a Unit or those which are defined as Special Residential Limited Common Elements), elevator shafts and equipment rooms;

D. All exterior walls of the Building (but not including the portions thereof on the Unit side of such walls), walls and partitions separating Units from corridors, elevator shafts, stairs and other mechanical equipment and spaces, and walls and partitions separating a Unit from other Units or Common Elements located beyond the center line thereof;

E. All central and appurtenant installations for services such as power, light, telephone, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, ventilation, air conditioning and other mechanical and electrical systems (but excluding the air conditioning compressors and air handlers which shall constitute a Special Residential Limited Common Element appurtenant to the Unit they serve);

F. All tanks, pumps, motors, fans, compressors, mechanical, electric, and plumbing systems, including related control equipment serving all Units and/or the Common Elements;

G. All elevators and their respective shafts, pits and control equipment;

H. All windows, casements, window frames, entrance doors and door frames serving a Residential Unit;

I. All roof railings, ladders and hatches affixed to or forming a part of the Building;

J. All rooms and equipment designated as such on the Floor Plans, including without limitation, pump room; electric meter room; mop room; boiler room; gas meter room; workout/exercise room and halls; and

All other areas of the Property, air rights and all other parts of the Building and all apparatus, systems, equipment and installations in the Building or on the Property for the common use of the Units and Unit Owners or which are necessary or convenient to the existence, maintenance or safety of the Property.

II. Special Residential Limited Common Elements

The Special Residential Limited Common Elements include each of the yard, balconies and terraces to which there is direct and exclusive access through a doorway from the interior of a Residential Unit. Each Special Residential Limited Common Element to which there is direct and exclusive access is for the exclusive use of the Residential Unit Owner to whose Residential Unit such yard, balcony or terrace is appurtenant, subject to the right of the Board of Managers, its contractors, agents and employees to enter and occupy any such Special Residential Limited Common Element to the extent necessary to maintain or repair the Common Elements. The Residential Units having the exclusive use of a yard, terrace or balcony are indicated on Schedule A. The air conditioning compressors, air handlers and related controls and equipment serving each Unit shall be a Special Residential Limited Common Elements and all maintenance, repair and replacement of same shall be the responsibility of the Unit Owner served by such equipment.

Each Unit will have exclusive use of one (1) storage unit in Storage Room located in the basement. Each storage unit shall be approximately 3' x 5' in dimension, shall be lockable by the Unit Owner and shall be a Special Residential Limited Common Element. (See Footnote to Schedule "A.")

The cost of maintaining and repairing the General Common Elements shall be treated as a Common Expense to be shared by all Unit Owners in proportion to their Common Interest. The projected cost for the first year of concominium operation is reflected in the projected Common Charges set forth in Schedule A.

The cost of all painting, decoration, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary to the (i) General Common Elements, shall be undertaken by the Board of Managers and shall constitute a General Common Expense, unless such work is necessitated by the negligence, misuse, or neglect of a Unit Owner, in which event such expense will be charged to such Unit Owner, and (ii) Special Residential Limited Common Elements, other than structural items, shall be undertaken by the Residential Unit Owner to whose Unit such Special Residential Limited Common Element is appurtenant, at his sole cost and expense, unless such work is necessitated by the negligence, misuse or neglect of another Unit Owner or is due to the condition of, or damage to or from the General Common Elements or other Special Residential Limited Common Elements, in which event the cost and expense of such repairs shall be charged to such other Unit Owner or constitute a General Common Expense, respectively. To the extent such work is necessitated by the negligence, misuse or neglect of more than one Unit Owner, the cost shall be borne by such other Unit Owners in the proportion that their percentage interest

in the Common Elements bears to the aggregate percentage interest in the Common Elements of all Unit Owners responsible therefor. Any Residential Unit Owner whose Unit has appurtenant thereto a terrace or balcony shall keep such terrace, or balcony free of snow, ice and ponding water. Notwithstanding the foregoing, the all maintenance, repairs and replacements to the roofs, including portions which are roof terraces, shall be undertaken by the Board of Managers and the cost thereof allocated as herein provided.

8. *Services and Amenities*

These services and amenities have been provided for in the projected budget for the first year of Condominium operation. The decision to maintain the foregoing staffing and services in the future years will be in the sole discretion of the Board of Managers.

(i) Security: Each Residential Unit is equipped with a combination two-way intercom establishing communication between the lobby and the Unit. Security cameras will be located in the lobby and in the elevator.

(ii) Heating and Air-Conditioning: Each Residential Unit will be provided with heat produced by the Building's boilers. Heating and cooling will be provided by packaged terminal air conditioning (PTAC) units supplied with hot water coils located along the perimeter of each room. Each Unit will have individual thermostatic valve controls to control heating and cooling. All costs associated with the operation, maintenance and repair of all air conditioning equipment and controls shall be the responsibility of the Unit Owner.

(iii) Refuse: Trash and recycling receptacles will be available in the cellar for curbside pickup by the New York City Sanitation Department. Items placed in the trash receptacles must be first segregated by type (i.e., trash, plastics, newspapers) to facilitate disposal. Unit Owners shall be responsible for complying with all applicable laws regarding segregation of recyclables.

(iv) Mail: Mailboxes shall be installed at a convenient location adjacent to the lobby. Subject to completion of the mailboxes, incoming mail will be delivered to the Building by the United States Postal Service to mail boxes located adjacent in the Lobby.

(v) Elevator Service: The Units will be served by one automatic, Traction, passenger elevator. Access to particular floors will require a key.

(vi) Internet and Cable Television Service: Each Residential Unit will be prewired for internet access and cable television permitting the Unit Owner to obtain internet access and cable television service. Each Unit Owner who desires to obtain this service will be required to pay the cable company for installation. Thereafter, the Unit Owner will be required to pay the monthly service charges set by the cable company.

(vii) Laundry Facilities: Each Unit will have a Whirlpool stacking washer and an electric dryer.

(viii) Telephone Service: Each Residential Unit shall be prewired for multiple telephone lines. The commencement and cost of service, shall be the responsibility of each Residential Unit Owner.

Neither Sponsor, the Managing Agent, nor the Board of Managers will be liable in the event of any interruption, discontinuance, change or reduction in the quality of any of the foregoing services, including, but not limited to, any services provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, provided, however, that no party shall be relieved of liability by reason of its own negligence.

E. LOCATION AND AREA INFORMATION

Location

The Building is located on the north side of East 8th Street midway between Avenue B and Avenue C in the Tompkins Square Section of New York City. The Building is known by the street address of 331 East 8th Street and by the tax address of Block 391, Lot 44.

Surrounding Area

The Building is located on a well-maintained, residential block. Currently, there is a new growth of residential and commercial units in the area. This growth encompasses both renovations and new buildings. The neighborhood has a variety of types of buildings including high-rise apartment buildings, three and four story private dwellings, four through six story walk-up apartment buildings, as well as some stores and small buildings.

Shopping, Recreational and Commercial Facilities

Commercial office space is located on the avenues and in the immediate vicinity of the Building. Shops and restaurants continue to expand in the area. Retail stores such as Eddie Bauer Incorporated, Bowery Street Department Store, Strand Bookstore, H&M and K-Mart are all located in close proximity to the Building.

There are numerous nearby restaurants, supermarkets and late night food establishments located throughout the area.

Nearby recreational facilities include Tompkins Square Park, Hamilton Fish Park and East River Park.

Transportation

New York City is served by three major airports – LaGuardia Airport, Kennedy International Airport and Newark International Airport. Passenger railroad service is provided at Pennsylvania Station, located at Seventh Avenue and 33rd Street, and also from Grand Central Station, located at Lexington Avenue and 42nd Street which are accessible by subway and bus. Transportation to and from the Building, and through New York City, is available by taxi, limousine, private automobile, subway or bus. Public transportation is also readily available. A number of commercial parking garages are located nearby.

Subways servicing the area are the F, J, M and V lines.

Buses servicing the area are the M21, M8, M14, M9 buses.

Police and Fire: The nearest Police Precinct is the 9th Precinct located at 321 East 5th Street. Fire protection is provided by Engine 28, Ladder 11 at 222 East 2nd Street.

Snow Removal and Road Maintenance

These services are provided by The City of New York and all charges (except water) are financed through real estate taxes paid by Unit Owners to The City of New York. Water charges for the Building will be metered and paid by Unit Owners as a Common Expense of the Condominium.

Medical, Educational and Religious Facilities

The area is served by Beth Israel Medical Center/Hospital, St. Vincent's Hospital and Medical Center, Bellevue Hospital Center, Cabrini Medical Center and New York Eye and Ear Infirmary, located in close proximity to the Building. Numerous private physicians and dentists have offices in the area surrounding the Condominium.

Numerous private schools, public schools and parochial schools on the elementary, junior high school and high school levels are located within walking distance of the Condominium. Nearby schools include P.S. 64, P.S. 15, P.S. 361, P.S. 34, St. Brigid's School, Tompkins Square Middle School and H.S. 450 East Side Community School. Nearby colleges include New York University, Touro College, Pratt Institute and Cooper Union-Advancement Art.

There are houses of worship of most major denominations in the vicinity of the Building.

Zoning

The Property is located within a R7-2 Zoning District which permits the residential occupancies contemplated in this Plan. The Building is located in the Tompkins Square Section of New York City. There are no restrictions on a purchaser's right to utilize the Units for the residential purposes as contemplated in this Plan.

SCHEDULE A
PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST
First Year of Operation
2005

Unit	Rms/ Bed/ Bth (1)	% of Common Interest (2)	Cash Purchase Price (3)	Monthly Common Charges (4)	With Tax Ben Monthly R.E. Taxes (5)	With Tax Ben Monthly Carrying Charges (6)	Without Tax Ben Monthly R.E. Taxes (7)	Without Tax Ben Monthly Carrying Charges (8)	Sq. Ftg. (9)
1	4/2/2	21.00	$1,395,000	$ 981.80	$ 174.35	$1,156.15	$1,590.66	$2,572.45	2396
2	4/2/2	16.00	$1,225,000	$ 748.04	$ 153.14	$ 901.18	$1,397.18	$2,145.22	1351
3	4/2/2	17.00	$1,300,000	$ 794.79	$ 162.52	$ 957.31	$1,482.81	$2,277.60	1351
4	4/2/2	18.00	$1,350,000	$ 841.55	$ 168.75	$1,010.30	$1,539.62	$2,381.17	1351
5	4/2/2	28.00	$1,950,000	$1,309.07	$ 243.65	$1,552.72	$2,222.98	$3,532.05	2319
TOTALS		100%	$7,220,000	$4,675.25	$ 902.41	$5,577.66	$8,233.25	$12,908.50	8768

Notes:

1) The above figures are rounded off to the nearest cent, which may cause slight discrepancies.

2) The First Floor "Garden" Unit includes exclusive use of the rear yard (approximately 796 square feet) and the recreation room.

   The Fifth Floor "Penthouse" is a duplex Unit which includes exclusive use of a portion of the roof area (approximately 494 square feet).

3) All Units on the 3rd floor to 6th floor will have a small balcony area attached to the Unit.

4) Annual real estate taxes are estimated to be $10,829 if benefits are obtained, and $98,799 if benefits are not obtained. See FOOTNOTES TO SCHEDULE A for a more complete explanation.

5) Each apartment will be responsible for paying the cost of its own individual heat and hot water and other utilities. Please see SCHEDULE B1 for an estimate thereof.

6) All projected charges are for the period July 1, 2005 to June 30, 2006.

7) Each unit shall have two (2) bedrooms and two (2) bathrooms. The column heading denotes rooms/bedrooms/bathrooms.

Notes to Schedule A

(1) There are a total of five (5) Residential Units. Each Residential Unit will have a section of the Storage Room located in the basement. Each storage unit shall be approximately 3' x 5' in dimension, shall be lockable by the Unit Owner and which shall be a Special Residential Limited Common Element, exclusively allocated to it as follows:

UNIT	Storage Room Section
1	1
2	2
3	3
4	4
5	5

(2) The number of bedrooms and baths was computed by counting each bedroom as one room and each full bathroom as one room. The approximate square footage of the Units represents useable space.

(3) The square foot area dimensions used in Schedule A and in the Declaration are approximate and the actual square foot area may vary. Prospective Purchasers should refer to the floor plans included in Document No. 1 in Part II of this Plan for an approximation of the dimensions and layout of each Unit. Each Unit should be inspected to determine its actual dimensions, layout and physical condition, which may vary from that depicted on the floor plans which are only approximations. Any material change in the layout or size of a Unit will be reflected in an Amendment to the Plan.

(4) See "Procedure to Purchase" in Part I, Section K and "Changes in Prices and Units" in Part I, Section J for a more complete discussion of Purchase Prices. The offering price and other terms of sale may be negotiated by the Sponsor in its sole discretion with an individual Purchaser, however, the Sponsor shall not be required to agree to any changes to the standard form of Purchase Agreement. As a result, a Purchaser may purchase a Unit on different or less favorable terms than those offered to, or which may result from negotiations with, other Purchasers. Closing costs and adjustments will vary for each Unit on different or less favorable terms than those offered to, or which may result from negotiations with, other Purchasers. Closing costs and adjustments will vary for each Unit and are not included in the Purchase Price. See "Unit Closing Costs and Adjustments" in Part I, Section N. The Purchaser shall be responsible for all costs associated with any financing it shall procure and for the legal fees of the Purchaser's attorney. The estimated amount of such costs and the method of computing adjustments are discussed in Section N. The Purchase Price includes the appliances and fixtures listed in the Description of Property. See Specifications and Improvements set forth as Document No. 1 in Part II of this Plan.

(5) The Percent of Common Interest is based upon floor space, subject to the location of such space and the additional factors of relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit, in accordance with Section 339-i(1)(iv) of the Condominium Act. In computing the Common Interest, the area of each Unit was included using the "Adjusted Area" of such Unit rather than the actual floor area. Adjusted area is based on the interior floor area of the Unit, plus the area of any balcony or yard appurtenant to such Unit as set forth in the following:

Unit Number	Approx. Interior Area sq. ft	Area of Yard or Terrace	Adjusted Area	Percent of Common Interest
1	1600	796	2396	21.00
2	1351	0	1351	16.00
3	1351	0	1351	17.00
4	1351	0	1351	18.00
5	1824	494	2319	28.00

(6) Common Charges are based upon the estimates contained in Schedule B for the projected first year of Condominium operation. The projection of Common Charges in Schedule A includes the Unit Owner's share of the Common Expenses (the cost of maintenance, repair and operation of the Condominium). The projection of Common Charges does not include costs for which each Unit Owner is individually responsible such as repair, decoration and painting of the interior of the Unit, insurance for personal property or liability within the Unit, or the cost of electricity for operating, lighting, appliances and similar items. Each Residential Unit will be separately metered for electricity and the cost of electricity consumed therein will be the responsibility of the individual Unit Owner. To the extent unpaid, Common Charges shall constitute a lien upon the Unit which shall be subordinate to liens for real estate taxes and any first mortgage on the Unit. Common Charges will be billed and collected on a monthly basis, subject to change by the Board of Managers.

(7/8) The projection of real estate taxes anticipated to be payable by each Unit Owner was computed by the Sponsor based upon the information by Moseson and Associates and set forth in the opinion letter (the "Tax Opinion"), a copy of which is included as Document No. 8 in Part II of the Plan. The projections contained in this column assume that 421-a Benefits are not received and in place as of July 1, 2005.

The projection of real estate taxes in Schedule A is based on the assumption that the first year of Condominium operation will be the 12-month period commencing July 1, 2005 and ending June 30, 2006 and that the Building is assessed on a post-renovation completed basis.

The Tax Opinion estimates the total assessed value of the Property for the 2005/06 tax year at $808,775. Although the applicable tax rate for such future period is not known, the Tax Opinion assumes a tax rate of $12.216 per $100 of assessed value.

The tax rate in effect on the date of this Plan is $12.216 per $100 of assessed valuation. By multiplying the projected assessed value ($808,775 times the projected tax rate of $12.216 per $100 of assessed value) yields a projected gross tax payable of $98,799.

According to the Tax Opinion, it is presently the policy of the New York City Department of Finance to allocate the aggregate assessed value among newly created condominium units in the proportion that the offering price for each unit as set forth in the Offering Plan bears to the total offering price of all units as set forth in the Offering Plan, and in part, upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular units. The Sponsor has computed the projection of real estate taxes payable by a particular Residential Unit based solely upon the proportion that the offering price of that Unit bears to the total offering price.

It is expected that approximately six (6) months after the recording of the Declaration, The Real Property Assessment Bureau of the City of New York will separately assess each Residential Unit as a separate tax lot. The tax assessor may or may not allocate the total assessed value of the Property among the Units in the same manner as stated in the Tax Opinion or as done by the Sponsor. The Units may or may not be separately assessed by the next tax period.

Purchasers should be aware that the amounts set forth in Schedule A are only projections. The actual taxes payable by a Residential Unit Owner for the first year of Condominium operation may be greater than the projected amount. If the actual assessment for 2005/06 exceeds $808,775, or if the actual tax rate for such period exceeds $12.216 per $100 of assessed value, the actual taxes will be more than the projected amounts. If the tax assessor allocates the assessed value in a different manner, or the method of assessment is other than as assumed in the Tax Opinion, the actual taxes may be different. **THE SPONSOR DOES NOT REPRESENT OR WARRANT THAT THE ACTUAL TAXES PAYABLE BY A PARTICULAR RESIDENTIAL UNIT OWNER FOR THE FIRST FULL YEAR OF CONDOMINIUM OPERATION WILL NOT EXCEED THE AMOUNT PROJECTED IN SCHEDULE A.**

(9/10) The projections contained in this column assume that 421-a benefits (abatement only) are granted to the Property and available to reduce the taxes due for the period January 1, 2006 to June 30, 2006, the second half of the tax year during the first year of Condominium operation and that no 421-a Benefits are available for the period July 1, 2005 to December 31, 2005, the first half of the tax year during the first year of Condominium ownership.

As more fully set forth in the Tax Opinion, the Property is anticipated to receive tax abatement benefits under Section 421-a of the Real Property Law of the City of New York. This statute was created to encourage the new construction of Class A multiple dwellings. In general, the law permits both an exemption of the increase in assessed value relating to the improvements and an abatement of real estate taxes

otherwise due and payable based upon the certified value of the improvement as determined by the Department of Housing Preservation and Development ("HPD") in both cases subject to a myriad of limitations.

Neither Sponsor nor its counsel makes any representation or warranty as to the whether the Property will receive 421-a Benefits or the amounts thereof or when such benefits if received would be applied. The sale of Units are not contingent upon the Property receiving 421-a Benefits and a Purchaser will not be entitled to rescind his Purchase Agreement or receive any credit or other consideration from the Sponsor if the 421-a Benefits are denied, delayed or not as projected in Schedule A.

HPD may reduce or revoke 421-a Benefits if the Commissioner finds that the application contains a false statement or false information as to a material matter or omits a material matter. HPD routinely conducts audits of 421-a applications, the result of which may be either the reduction or revocation of benefits if proper documentation is not provided.

Sponsor represents that it will use its best efforts to obtain 421-a abatement benefits. Sponsor further represents that all information submitted on its application for 421-a Benefits will be true and accurate and all documentation supplied will be accurate and complete. Sponsor represents that it will keep all records required by HPD and will make those records available to HPD upon request of HPD. Sponsor represents that it will timely file all applications and timely comply with all procedures required to properly process and maintain the 421-a Benefits.

Sponsor represents that at the first Unit closing, it will make all existing 421-a documents available to the Board of Managers for inspection and copying. Further, Sponsor shall make such documents available for inspection and copying by the Board of Managers during the time that the Property is receiving 421-a Benefits.

As set forth in the Tax Opinion, it is anticipated that the Department of Finance will allocate the aggregate tax abatement among the Units in the proportion that the offering price of such Unit bears to the total offering price of all Units. The projected abatement has been allocated in this manner and is set forth in this column.

The foregoing summary is qualified in all respects by the Tax Opinion which should be reviewed in its entirety.

G. PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B

PROJECTED BUDGET
331 East 8th Street
New York, New York

ESTIMATED SCHEDULE OF RECEIPT AND EXPENSES
FOR FIRST FULL YEAR OF OPERATION
July 1, 2005 through June 30, 2006

RECEIPTS

COMMON CHARGES – RESIDENTIAL	(Note 1)	$56,103.00
TOTAL RECEIPTS		**$56,103.00**

EXPENSES

WAGES & BENEFITS	(Note 2)	$13,000.00
GAS/HOT WATER	(Note 3)	8,690.00
ELECTRICITY	(Note 4)	3,772.00
WATER & SEWER	(Note 5)	1,241.00
REPAIRS, MAINTENANCE & SUPPLIES	(Note 6)	7,200.00
SERVICE CONTRACT	(Note 7)	N/A
INSURANCE	(Note 8)	9,000.00
MANAGEMENT FEE	(Note 9)	6,000.00
LEGAL & ACCOUNTING	(Note 10)	3,500.00
FRANCHISE TAX	(Note 11)	700.00
CONTINGENCY	(Note 12)	3,000.00
TOTAL OPERATING EXPENSES		**$56,103.00**

- NOTE: If the date of commencement of condominium operation is delayed more than six (6) months from the budget year projected in the Offering Plan, this Plan will be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by twenty-five (25%) percent or more, the Purchaser shall have the right to rescind his Purchase Agreement within fifteen (15) days after the presentation of such amendment. If the Purchaser elects to rescind, the Sponsor shall refund the Purchaser's downpayment together with interest earned thereon if any within ten (10) days after receipt of Notice of Rescission. Additionally, Purchasers will be offered the opportunity to rescind their Purchase Agreement in the event the closing is not scheduled within 12 months of the commencement date of the projected budget.

SEE NOTES TO SCHEDULE B WHICH FOLLOW

FOOTNOTES FOR SCHEDULE B

1. Common charges **$ 56,103.00**

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

2. Wage and Benefits **$ 13,000.00**

The Building staff shall consist of one part-time superintendent. The Sponsor estimates that the cost of a part-time superintendent working approximately twenty (20) hours per week at the rate of $12.50 per hour will be approximately $13,000 per year. No other benefits will be provided for or paid to the superintendent. The superintendent shall be part-time and shall not be a Union member. No representation is made that this figure will not increase. If, after the first two (2) years, the Condominium retains any building staff, the Common Charges will increase to cover such expense. No health insurance or other benefits will be paid to or on behalf of the part-time superintendent. Any withholding taxes required by law will be withheld from the gross pay set forth herein.

3. Gas for Heating, Hot Water and Cooking **$ 8,690.00**

Residential cooking ranges and heating and domestic hot water are metered centrally by a single meter. Central heating and domestic hot water provided by boilers fueled by natural gas. Average utility cost for natural gas is $0.965 per Therm.

Based upon projected annual consumption provided by T.K. Engineering.

Space Heating:
The entire building is heated by a pair of boilers with a total input capacity of 500 MBH and an efficiency of 80%. The design conditions require an output of 200 MBH.

The annual consumption of natural gas is:

200 MBH/.80 x 5000 days x 0.0045 = 5625 Therms.
The annual cost is: 5625 Therms x $0.965 = $5,430 per year

Domestic Hot Water:
The annual natural gas consumption for domestic hot water is:

5 units x (3 persons/unit) x (40 gal/person/day) x 365 days x (0.012 gal/Therm) = 2628 Therms
The annual cost is: 2628 Therms x ($0.965/Therm) = $2,536 per year

Gas Cooking:
The annual natural gas consumption for domestic hot water is:

5 units x (150 Therms/unit) = 750 Therms.
The annual cost is : 750 Therms x ($0.965/Therm) = $724 per year

The total projected annual cost for gas heating, hot water and cooking will be approximately $8,690 during the first year of operation. The estimated cost for gas heating, hot water and cooking was provided by engineer, Thomas Kenny, P.E. of TK Engineering, P.LLC., 16 Tyran Street, Commack, New York 11724.

4. Electricity **$ 3,772.00**

Includes common area electric, but does not include the cost of electric to individual Residential Units (estimated between $1,384 and $1,643 per year for a Unit, dependent on the size of the Unit). All directly metered Unit Owners will be responsible to pay the electric bills for their individual Units. Common Area electric will include the costs for the Building's mechanical systems, elevator and lighting. Average utility cost for electric power is $.019 per KWH.

Public Machinery:

a. One (1) 20 HP traction passenger elevator. Operates 30 up trips per day, 70 hours per year.
b. Two (2) hot water circulating pumps. (One is standby). Operates 6480 hours.
c. One (1) domestic hot water circulating pump. Operates 2800 hours.
d. One (1) toilet exhaust fans x 0.06 HP. Operates 6 A.M. to 12 A.M. – 6570 hours.
e. One (1) trash fan, one (1) fan coil unit. All operate continuously – 8760 hours.
f. One (1) kitchen exhaust fan. Operates 30 min. per day each – 183 hours.
g. One (1) clothes dryer booster fan. Operates 100 hours.

The annual cost to operate common pumps, fans and elevator is:
10,000 KWH x $0.19/KWH = $1,900

Public Lighting:

- Inside: 1000 SF x 1 W/SF x 8760 hours = 8760 KWH
- Outside: 300 W x 3650 hours = 1095 KWH

Total annual cost to operate public lighting is: 9855 KWH x $0.19/KWH = $1,872.

The total projected annual cost for public machinery and public lighting will be approximately $3,772.00 during the first year of operation. However, no warranty is made that the projection for electricity will be in accordance with the actual electrical costs during the first year of Condominium operation. Estimates for common electricity on the above-described components have been provided by engineer, Thomas Kenny, P.E. of TK Engineering, P.LLC., 16 Tyran Street, Commack, New York 11724.

5. Water and Sewer **$ 1,241.00**

Water consumption will be measured through a single main meter, and the cost thereof, as billed, will be apportioned to the Unit owners based upon their percentage of common interest.

NYC water charges $1.31 per 100 CF and sewer charges of $2.08 per 100 CF. The average annual water consumption is:

5 Units x 150 gallons/day x 365 days x (0.1337 CF/gal) = 36,600 CF

- Estimated cost for water is: 36,600 CF x ($1.31/100 CF) = $480
- Estimated cost for sewer is: 36,600 CF x ($2.08/100 CF) = $761

The $1,241 budget amount is based on a projection of water and sewer consumptions by the Residential Units for the first year of the Condominium Operation. The engineer's projection of consumption assumes the usage of 150 gallons per day per person residing in the Residential Units.

Estimates for water and sewer have been provided by engineer, Thomas Kenny, P.E. of TK Engineering, P. LLC., 16 Tyran Street, Commack, New York 11724.

6. <u>Repairs, Maintenance & Supplies</u> $7,200.00

- Includes normal repairs, maintenance and supplies with respect to Common Areas of the Building including lighting, public walkways and stairways, maintenance and painting of entrances, roof and building structure, and all Building supplies. No amount is included for items covered by construction warranties or for the cost of any major capital expenditure in the Building. The budgeted number does not include repairs, painting, maintenance or supplies (including appliances) for individual Units, which are the responsibility of the individual residential Unit Owner.

- During the first year of operation, major repairs are not expected to be necessary, as the Condominium is newly constructed.

7. <u>Service Contract</u> N/A

- No service contracts currently exist between the Condominium and any service provider.

- The cost of an exterminator is not provided in the budget in that the Sponsor does not intend to enter into any service contract for extermination service. Although the Sponsor will not enter into any service contract for extermination service, the estimated cost for extermination service for the first year of the Condominium Operation is $1,000, as quoted by Assured Environments, 360 Lexington Avenue, New York, New York 10017. After the first year of Condominium operation, the Unit Owners shall have the option to engage the services of any exterminator of their choosing.

- As part of the installation of the HVAC, boiler and elevator, the Sponsor will be responsible for obtaining and paying for the service contracts for the first year of operation. After the first year, the Condominium will be paying for the service contracts for the above.

- If, after the first year of operation, the Unit owners obtain boiler and/or elevator contracts, Common Charges will increase to cover such expense. The Sponsor estimates that the cost of obtaining and paying for service contracts after the first year of operation will be approximately $4,000 per year. No representation is made that this amount will not increase.

8. Insurance — $ 9,000.00

The budget number is projected on the basis of a preliminary quotation of insurance costs provided by Fabricant and Fabricant, 1251 Old Northern Boulevard, Rosyln, New York 11576.

PROPERTY COVERAGE	
Perils Insured Against	
All Risk of Direct Physical Damage	
"Guaranteed Replacement Cost"	
Amount of Insurance	
Building	$ 1,750,000
Common Charge	$ 200,000
Building Ordinance/Increase Cost of Construction	$ 500,000
Flood & Earthquake	$ 1,000,000
Backup of Sewers & Mains	$ 250,000
Deductible	
Amount of Deductible - Property	$ 2,500
Flood & Earthquake	$ 25,000
Co-Insurance Percentage	*- None -*
Boiler and Machinery	Building Limit
Employee Dishonesty (Fidelity)	$ 50,000
COMMERCIAL GENERAL LIABILITY	
Limit of Liability	
General Aggregate	$ 2,000,000
Each Occurrence	$ 1,000,000
Products/ Completed Operations	$ excluded
Fire Legal Liability	$ 50,000
Personal & Advertising Injury	$ excluded
Hired & Non/Owned Auto	$ 1,000,000
Directors & Officers	$ 1,000,000 Claims Made
Workers Compensation – *Tower Insurance Company*	Statutory
NYS Disability – *National Benefit Life*	Statutory

UMBRELLA COVERAGES

Excess Liability		$ 50,000,000
Package	=	***$ 9,000.00***
Terrorism	=	***included***
Umbrella	=	***Included in package***
TOTAL ANNUAL PREMIUMS	=	***$ 9,000.00 ****

The fire, casualty and general liability insurance shall be on terms that provide (1) that each Unit Owner is an additional inured party; (2) that there will be no cancellation without notice to the Board of Managers; (3) a waiver of subrogation; (4) a waiver of invalidity because of the acts of the insured and Unit Owners; and (5) a waiver of pro-rate reduction if Unit Owners obtain additional coverage.

Unit Owners are required pursuant to the By-Laws, to obtain insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements, and liability coverage for occurrences within the Unit. Purchasers should consult their insurance agent or attorney to determine whether they should obtain their own liability or file and casualty insurance.

9. Management Fee $ 6,000.00

Based on proposed agreement with D&D Management Services Corp., 6900 Eighth Avenue, Brooklyn, New York, New York 11228, who is independent of the Sponsor, the services of the Managing Agent shall commence upon the conveyance of title by the Sponsor of the first Unit in the Condominium. The fee will be $6,000 per annum. The full management fee will be paid regardless of whether or not all Units have closed.

This management fee reflects the prevailing cost for similar services. It is based on the size of the building, number of residential Units, and the level of service to be provided.

10. Legal and Accounting $ 3,500.00

All Condominium Unit Owners are entitled to receive annually from the Condominium at the Condominium's expense an annual audited statement prepared by an independent certified public accountant. Estimates, which include the preparation of federal and state income tax returns for 331 e 8 Associates for the fiscal year ending December 31, 2005, have been obtained with respect to professional fees as follows:

Accounting estimates provided by Ives & Sultan LLP, Certified Public Accountants., having offices at 100 Crossway Park Drive West, Woodbury, New York 11797.

*Adjusted to include estimated cost of Worker's Compensation and NYS Disability Insurance.
The above quotations are based upon premiums charged in July 2004. The insurance market is extremely volatile and rates can change substantially. The above preliminary quote can be significantly higher or lower depending on market conditions at the time of the first closing. The above quote also assumes that the Building will be 100% structurally completed and that the majority of the property will be occupied by permanent residents.

Accountant	$ 2,500
Legal	$ 1,000
Total	$ 3,500

11. Franchise Tax **$ 700.00**

Estimated cost of the LLC filing fee, as required. Bank fees and charges are also included.

12. Contingency **$ 3,000.00**

The Contingency provides a fund for possible expenses not included in the projected budget, or possible increases in one or more categories of operating expense beyond the projected amounts. There can be no assurance that such fund will be sufficient to pay for major capital repairs or replacement items which may be needed within the first five (5) years of the Condominium's operation. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners.

IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF THE FIRST YEAR OF CONDOMINIUM OPERATION IS TO BE DELAYED MORE THAN SIX (6) MONTHS FROM THE BUDGET YEAR PROJECTED IN THE PLAN, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY 25% OR MORE, THE SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT TO RESCIND AND A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN 15 DAYS AFTER THE DATE OF PRESENTATION TO EXERCISE THE RIGHT. WHETHER OR NOT SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION, SPONSOR WILL RETURN ANY DOWN PAYMENT OR DEPOSIT PROMPTLY TO SUBSCRIBERS WHO RESCIND.

H. PROJECTED ELECTRICITY COSTS FOR FIRST YEAR

SCHEDULE B-1

PROJECTED ELECTRICAL COSTS
For Residential Units

Estimated Electrical Consumption per Residential Unit
(Individually Metered)

Dwelling Unit electrical usage is estimated based on the following assumptions:

1. Lighting and power is 1.5 W/sq. ft. and will be in operation 6 hours a day.
2. Refrigerator will consume 500 W and will run 8 hours a day.
3. Air conditioning will consume 1.5 KW per ton for a summer period of 4 months.

Dwelling Unit Floor	Usable Area (sq. ft)	Air Cond. Load (tons)	Air Cond. Usage (KW)	Lighting & Power (KW)	Refriger. (KW)	TOTAL ANNUAL ELECTRICITY COST ($)
1	1000	1.8	2400	3285	1460	$ 1,357
2	1200	2.0	2666	3942	1460	$ 1,535
3	1200	2.0	2666	3942	1460	$ 1,535
4	1200	2.0	2666	3942	1460	$ 1,535
5	1750	4.0	5332	5748	1460	$ 2,383

FOOTNOTES TO SCHEDULE B-1

These projections are based upon estimates of Thomas Kenny, P.E. of TK Engineering, P.LLC., 16 Tyran Street, Commack, New York 11724 as of November 30, 2004.

The building at 331 East 8th Street is a multi-family dwelling, six stories in height, with one dwelling unit on floors one through four and a duplex dwelling unit on floors five and six. There is a basement in the building, which is used for storage and to house various mechanical and electrical rooms. The Sponsor will designate one corresponding storage area for each Unit at the time a Purchase Agreement is executed (See Notes to Schedule "A" page 25.) There is also a mechanical room on the roof.

Public spaces include Gas & Water Meter Room, Electrical closet, Telephone Room and Trash Room in the basement, stairs, elevator, first floor lobby and Mechanical Room on the roof.

Total gross area of the building is 10,450 SF, including basement (Dwelling areas total 8,150 SF; common spaces total 2,300 SF).

Each Residential Unit Owner will be responsible for the cost of electricity supplied to his Unit, which will be separately metered and will be payable directly to the utility company.

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

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

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

The proposed amounts are not guarantees of the actual costs. The actual consumption will depend upon many factors including the individual preferences of Unit occupants, weather conditions and conservation measures, if any. The actual cost of electricity will

vary based upon political conditions in oil producing countries, shortages and competition among electricity vendors.

I. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i.

The allocation of Common Interest among the Units of the Condominium was prepared by the Sponsor and reviewed by D&D Management Services Corp. in accordance with subsection (1)(iv) of Section 339-i of the Condominium Act. Specifically, Section 339-i(1)(iv) provides that the computation of Common Interest shall be:

> Based upon floor space, subject to the location of such space, and the additional factors of relative value to other space in the Condominium, such as uniqueness of the Unit, availability of common elements for exclusive or shared use, and the overall dimension of the particular Unit.

In accordance with the foregoing, D&D Management Services Corp. has certified the allocation of Common Interest, a copy of which certification is included in Part II of the Plan.

J. CHANGES IN PRICES AND UNITS

1. *Changes in Prices*

The Residential Units are initially offered at the prices set forth in Schedule A. Any change in price which is an across-the-board change affecting one or more lines of Residential Units or is to be advertised or represents an increase in price may only be effected by duly filed amendment to the Plan. No price change will be effective with respect to any Residential Unit for which a Purchase Agreement has been accepted and for which the Purchaser is not in default unless the Purchaser thereof consents to such change. The Sponsor reserves the right to decrease purchase prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering if such reduction in purchase price or modification of such other terms of sale is the result of an individually negotiated transaction and does not abrogate any obligations of the Sponsor imposed by Article 23-A of the General Business Law or 13 NYCRR 20. All terms of sale, including individually requested items concerning the Residential Unit, its fixtures and appliances, as well as the financial attributes of condominium ownership, are negotiable. As a result of any such price change, some Purchasers may pay more or less than other Purchasers under this Plan for similar Residential Units. No change in the price of any Unit will affect the Common Charges payable by or the Common Interest appurtenant to any such Unit.

2. *Changes in Residential Units*

In order to meet the possible varying demand for number and type of Residential Units, or to meet the particular requirements of a prospective Purchaser, or

for any other reason, Sponsor reserves the right, at any time and from time to time, before and after the recording of the Declaration, without prior notice or prior amendment to the Plan and without the consent of the Board of Managers or other Unit Owners, (i) to make alterations, additions or improvements, structural or non-structural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit, (ii) to change the layout of or the number of rooms in any Unit, (iii) to change the size and/or number of Units by subdividing one or more Units into separate Units, combining separate Units into one or more Units, altering any boundary walls between Units, and erecting or modifying certain walls or corridors to allocate a portion of the Common Elements to the exclusive use of one or more Unit(s), which area shall then become a Residential Limited Common Element or Special Residential Limited Common Element, or portion of the Common Elements, as appropriate, and (iv) to reapportion among the Units affected by any such change, subdivision, combination or alteration, their appurtenant interests in the Common Elements. As to any Unit for which a Purchase Agreement has been executed and accepted by the Sponsor, provided, however, that the Purchaser is not in default thereunder, no material change will be made in the size of any Unsold Unit, the layout thereof or the Common Interest appurtenant thereto, without the consent of the Purchaser(s) of the affected Unit(s). To the extent that the consent of a Purchaser shall be required to any such change and such consent shall not be given, the Sponsor shall have the right to refund the full down payment together with all accrued interest thereon and to thereafter terminate the Purchase Agreement.

No change in the size or number of Units, their respective Common Interest or any material change in the size or quality of Common Elements will be made except in a duly filed amendment to the Plan. In the event the Declaration has already been filed at the time of any such change, Sponsor shall amend the Declaration or cause the Board of Managers to amend the Declaration, as necessary, with the consent of all Unit Owners directly affected if such consent is required by law, the Declaration or the By-Laws. No material and adverse change in the size or quality of the Common Elements shall be made without the consent of all Unit Owners. The Sponsor shall have the right to amend or cause the Board of Managers to amend the Declaration without consent of the Board or other Unit Owners in connection with any change, subdivision, combination or alteration affecting only Units owned by Sponsor or its designee.

K. PROCEDURE TO PURCHASE AND TERMS OF SALE

1. *Obtaining Offering Plan*

Any person interested in purchasing a Residential Unit may apply at the Office of the Sponsor for a copy of this Plan. Upon receipt of the Plan, a prospective Purchaser must tender $100.00 by check payable to the order of "The 331 East 8th Street Offering Plan Account." This fee is refundable upon return of the Offering Plan to the Sponsor (together with all amendments) in good condition within fifteen (15) days.

2. *Purchase Agreement*

A prospective Purchaser who has been afforded at least three (3) business days to review the Plan and all amendments thereto or in the alternative, is given the right to rescind his Purchase Agreement within seven (7) days of the date thereof and elects to purchase a Unit, shall execute a Purchase Agreement supplied by the Sponsor which shall be substantially in form reproduced as Document No. 2 in Part II. The signed Purchase Agreement shall be delivered to the Sponsor or its designated agent and shall be accompanied by a check in the amount of 10% of the purchase price, representing the Down Payment (see Down Payment and Escrow Agent below). In addition, the Purchaser shall sign and return a W-9 backup withholding certificate and/or such other documentation as may be required by the "Escrow Agent" or "Depository" as hereinafter defined. No Purchase Agreement shall be binding upon the Sponsor until a copy executed by the Sponsor or its agent is delivered to the Purchaser and the Down Payment check clears collection. However, if a counterpart of the Purchase Agreement executed by the Sponsor, or its agent, is not delivered to Purchaser within thirty (30) days after delivery by Purchaser, the Purchase Agreement will be deemed cancelled, the Purchaser will have no liability thereunder and all monies paid by Purchaser, without interest, will be refunded within fifteen (15) days of the date the Purchase Agreement was delivered to the Sponsor or its agent. For this purpose, a Purchase Agreement executed by Sponsor shall be deemed "delivered to Purchaser" on the date when mailed or on the date delivered, if returned personally. The Sponsor reserves the right to request thorough identification, background information and financial information concerning prospective Purchasers, provided, however, the Sponsor shall not discriminate against any potential Purchaser in violation of any applicable provision of law.

No contracts or agreements have been entered into by Sponsor and no deposits or advances of funds have been received or accepted as of the date the Plan is accepted for filing.

3. *Down Payment and Escrow Agent*

Each Purchase Agreement shall be accompanied by a check in the amount of 10% of the purchase price (the "Down Payment"). The Down Payment check shall be drawn on a New York bank or trust company and shall be made payable to **Robert Castellano Attorney at Law Trust Account f/b/o The 331 East 8th Street Condominium.** The Sponsor will comply with the requirements of Section 71-a(3) of the State of New York Lien Law and Sections 352-e(2)(b) and 352-h of the General Business Law of the State of New York and the regulations promulgated by the Attorney General thereunder.

Any provision of any Purchase Agreement or other agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Offering Plan or in a Purchase Agreement. Purchasers shall

not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, down payments, or advances made by Purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the Purchase Agreement is signed by all necessary parties, in a segregated special escrow account. The name of the account will be Robert Castellano Attorney at Law Trust Account f/b/o The 331 East 8th Street Condominium (the "Escrow Account"). The escrow agent will be Robert Castellano, Sponsor's counsel (the "Escrow Agent"), whose address is 11 West 42nd Street, New York, New York. The Escrow Account will be maintained at Citibank N.A. (the "Depository"), at its branch at 90 Park Avenue, New York, New York. This bank is covered by Federal Bank Deposit Insurance to a maximum of $100,000 per individual deposit. If a Purchaser makes a Down Payment in excess of $100,000 for the purchase of a Unit, it is a special risk of this offer that such deposit will not be federally insured in excess of $100,000.

The Escrow Account may, at Sponsor's option, be interest-bearing and, if any interest is earned and unless the Purchaser defaults, interest will be credited to the Purchaser at closing. The interest rate to be earned will be the prevailing rate offered by the Depository.

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

PURCHASERS WILL EARN NO INTEREST ON DOWN PAYMENTS WHICH ARE DEPOSITED IN SPONSOR'S CONSTRUCTION FUND ACCOUNT (EXCEPT DURING SUCH PERIODS AS THE DOWN PAYMENTS ARE PLACED IN THE INTEREST BEARING PORTION OF THE ESCROW ACCOUNT).

Funds received by Sponsor from Purchasers for special work to be performed by Sponsor or furnishings to be provided by Sponsor in such Purchaser's Unit shall be held in escrow by the Escrow Agent but may be released to Sponsor prior to Closing of Title to the Unit for the purpose of paying for such work or extras. Accordingly, in the event Purchaser becomes entitled to rescission after the release of such funds, the Purchaser shall not receive a refund of any such funds used to pay for

special work or extras which cannot readily be used in another Unit, as well as the cost of any work necessary prior to such work having been performed.

Except as set forth in the immediately preceding paragraph, Escrow Agent will hold the Down Payment in escrow and in no event shall any disputed funds be paid to the Purchaser until otherwise directed in:

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

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

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

If there is no written agreement between the parties to release the Down Payment, Escrow Agent will not pay the Down Payment to Sponsor until Escrow Agent has given Purchaser written notice of notice of not fewer than ten (10) business days. Thereafter, the Down Payment 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 has so notified Escrow Agent in accordance with such provisions and Escrow Agent has received such notice.

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

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

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

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

Purchasers, Escrow Agent and the Issuing Bank may 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 must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is set forth in Part II of the Plan. The party applying for a determination must send to all other parties by certified mail, return receipt requested, a copy of the application.

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

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

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

Escrow Agent is acting merely as a stakeholder. Upon payment of the Down Payment pursuant to the Plan, Escrow Agent shall be fully released from all liability and obligation with respect to the Down Payment. Escrow Agent shall accept a Down Payment made by check, subject to collection.

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

Sponsor has agreed to compensate Escrow Agent for services rendered in connection with Escrow Agent's duties under the Escrow Agreement. Escrow Agent's fees and disbursements will neither be paid by Sponsor from the Down Payment nor deducted from the Down Payment by any financial institution under any circumstance.

The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of funds.

4. *Balance of Purchase Price*

The balance of the Purchase Price (including the proceeds of any mortgage loan) will be payable on the closing of title by cashier's check, bank check, or certified check of the Purchaser, drawn on a bank or trust company which is a member of the New York City Clearing House Association, made payable directly to the order of Sponsor or in one or more checks as Sponsor shall designate. CHECKS MADE PAYABLE TO PURCHASER OR TO ANY THIRD PARTY AND ENDORSED TO SPONSOR WILL NOT BE ACCEPTABLE – THERE WILL BE NO EXCEPTIONS. A Purchaser who tenders a non-conforming check will be deemed to have requested an adjournment of the closing and, in addition to the other provisions relating to an adjournment, will be required to pay Sponsor's attorney an adjournment fee of $350.00 to reschedule the closing.

5. *Closing*

Notwithstanding the provisions set forth in any Purchase Agreement to the contrary, no closing of title to any Unit will take place until (i) after the amendment declaring the Plan effective or incorporating the notice of effectiveness (see Section L of Part I) has been accepted for filing by the Department of Law, and (ii) after such effectiveness amendment is accepted for filing, the Sponsor gives such Purchaser not less than thirty (30) days written notice of the closing date for his Unit (see Section N of Part I of this Plan for a discussion of the closing costs). The Purchaser may elect in a written notice to waive such thirty (30) day period. In the event of a default by Purchaser, which shall include, but shall not be limited to Purchaser's failure to pay any portion of the Purchase Price when due, or Purchaser's failure to close title to his Unit on the date set forth in the Purchase Agreement or closing notice or any adjourned date as provided in the Purchase Agreement or his default under any lease or other agreement with Sponsor, Sponsor may elect to cancel the Purchase Agreement by giving thirty (30) days written notice of the default and the proposed cancellation to Purchaser. If within this thirty (30) day period, Purchaser shall fail to cure the default, the Purchase Agreement shall at Sponsor's option be cancelled upon the expiration of such thirty (30) day period without any further notice to Purchaser and Sponsor shall thereupon be entitled to retain the Down Payment, plus the interest earned thereon, if any, as liquidated damages. Any funds received by Sponsor in excess of the Down Payment (other than interest earned thereon and any amounts paid on account of extras) at the time of cancellation shall be refunded to Purchaser, together with any interest earned on such excess funds within thirty days of cancellation of the Purchase Agreement. TIME SHALL BE OF THE ESSENCE FOR THE PURCHASER TO CURE ANY SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD. This means that a Purchaser must cure any such default within the stated grace period and no further adjournment will be granted. The Sponsor anticipates, but does not represent or warrant that the first closing of title to a Residential Unit will take place on or about October 15, 2005. If, however, the closing of title to the first Residential Unit does not take place within twelve (12) months of such date the Sponsor shall offer all Purchasers a right of rescission for thirty (30) days. The Sponsor will return to any Purchaser who timely exercises such right of rescission his Down Payment and any interest earned thereon within fifteen (15) days of such rescission.

6. *Purchase Agreement Not Contingent on Financing*

This Plan does not contain any financing arrangements for Purchasers nor does Sponsor intend to offer mortgage financing to Purchasers. Prospective Purchasers who are interested in financing the Purchase Price of the Unit should contact local lending institutions. Any application for such financing must be done on an individual basis between the prospective Purchaser and his lending institution. The Sponsor should not be construed as offering any such financing or representing the availability or terms of such financing.

The obligations of the Purchaser under the Purchase Agreement will not be conditioned upon the Purchaser obtaining a loan commitment. A Purchaser who is unable to close title on the Closing Date will be in default.

NO REPRESENTATION IS MADE BY THE SPONSOR AS TO WHETHER ANY PURCHASER WILL QUALIFY FOR FINANCING OR AS TO THE TERMS, COST OR AVAILABILITY OF SUCH FINANCING. THE SPONSOR SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO ANY PURCHASER IF HIS APPLICATION FOR FINANCING IS NOT ACCEPTED.

The closing of title to a Unit where the Purchaser has obtained financing will take place simultaneously with the closing of the mortgage loan and the proceeds will be applied towards the balance of the Purchase Price due at closing. It will be the responsibility of the Purchaser to arrange for its lender and the lender's counsel, to close title in accordance with the Purchase Agreement.

7. Real Estate Taxes

After the units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of taxes on other Units. Due to delays with the New York City Department of Finance, Unit Owners should anticipate delays in obtaining separate assessments by the appropriate tax assessor's office.

If the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Unit Owners will make payments of real estate taxes to the Board of Managers, based upon the Unit Owner's percentage of common elements as it relates to the amount of real estate taxes paid by the Sponsor with respect to the base tax lot.

Pursuant to the Opinion Letter of Moseson & Associates, a copy of which is included as Document No. 8 in Part II of the Plan, the total assessed value of the property for the 2005/2006 tax year is $808,775. At the projected tax rate of 12.216 per $100 of assessed valuation, the annual real estate taxes are estimated to be $10,829 if benefits are obtained and $98,799, if benefits are not obtained. Unit Owners will pay their proportionate share of the actual real estate taxes.

Although it is anticipated that Unit Owners will be entitled to receive tax abatement benefits pursuant to Section 421-A of the Real Property Tax Law of the State of New York, the projected total monthly carrying costs will be greater if tax benefits are not received (See Schedule "A").

For more information regarding the assessed value and applicable tax rate, see "FOOTNOTES TO SCHEDULE A" and the TAX OPINION REGARDING 421-a benefits, set forth in Part II of the Plan.

8. *Miscellaneous Provisions*

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

SPONSOR SHALL IN NO WAY BE OBLIGATED TO PERFORM ANY SPECIAL ADDITIONAL WORK TO A UNIT OTHER THAN AS REQUIRED BY THE TERMS OF THE PLAN AND THE DESCRIPTION OF PROPERTY AND BUILDING CONDITION SET FORTH IN PART II OF THE PLAN.

Each Purchaser of a Unit shall be given a reasonable opportunity to examine his Unit prior to the Closing and is urged to make a careful inspection thereof. At the inspection, Purchaser and a representative of the Sponsor shall agree upon any in-substantial items of work remaining to be done which shall be reflected on a written inspection statement signed by both Purchaser and Sponsor's representative. Under no circumstances shall any item included on the inspection statement constitute grounds for a Purchaser to postpone or otherwise delay the date scheduled for the closing of title to his Unit nor shall the condition of the Unit be discussed at the closing.

The Purchase Agreement does not contain, and may not be modified so as to contain, a waiver of any of Purchaser's rights or Sponsor's obligations under the Plan or under Article 23-A of the General Business Law.

The Purchase Agreement provides that the Purchaser is required to sign at closing, and as a condition to closing, a Power of Attorney to the Board of Managers of the Condominium.

The complete terms of this Plan shall be deemed incorporated into each Purchase Agreement as if set forth at length therein.

Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan. However, the terms of sale and other provisions of an actual Purchase Agreement entered into between Sponsor and any given Purchaser may vary from the provisions contained in the form set forth in Document Number 2 reproduced in Part II of this Plan, but such variations shall (i) have no effect on the provisions of any other Purchase Agreement theretofore or thereafter entered into between Sponsor and any other Purchaser, or (ii) materially affect Sponsor's obligations as set forth in this Plan.

The Purchase Agreement is not assignable by the Purchaser. Any purported assignment shall be void and shall constitute a default under the Purchase Agreement. The Sponsor may withhold consent in its sole discretion to any request for an assignment, or may impose such conditions, including the payment of a processing fee, as Sponsor shall deem appropriate. Prior to the closing of title to his Residential Unit, a Purchaser who advertises or otherwise promotes or publicizes the availability for sale or lease of such Unit shall be deemed in default under his Purchase Agreement.

A Purchaser who executes more than one Purchase Agreement shall be deemed to be in default of all Purchase Agreements if he shall default under any one or more of such Purchase Agreements. If any such default is not cured as provided above, the Sponsor shall be entitled to terminate all Purchase Agreements with such Purchaser and retain all Down Payments paid under all Purchase Agreements.

Each Purchase Agreement shall also state that it is subject and subordinate to any future mortgage made by Sponsor. At closing, the Unit being transferred shall be released from the lien of any mortgage.

L. EFFECTIVE DATE

The Sponsor's offer to sell Residential Units and the obligations of Sponsor and Purchaser under any Purchase Agreement, are contingent upon the Plan being declared effective. No closing of title to any Unit will take place until the Plan is declared effective and the Plan is amended to disclose the declaration of effectiveness.

The Plan may not be declared effective until executed Purchase Agreements have been accepted by the Sponsor from bona fide Purchasers, including investors, for at least one (1) of the Units offered under this Plan.

The Sponsor must declare the Plan effective when Purchase Agreements have been executed for the sale to Purchasers of 80% percent of the Residential Units. Pursuant to applicable law, the Sponsor, at its election, may declare the Plan effective sooner, but in no event before Purchase Agreements have been executed for at least 15% percent of the Residential Units. Subject to the approval of Sponsor's mortgagee, Sponsor reserves the right to declare the Plan effective on the basis of the sale of Units representing 15% of the total Units offered for sale. In computing the requisite number of Purchase Agreements required to declare the Plan effective, the Sponsor will not count any Purchase Agreement (i) signed by a Purchaser who has been granted a right of rescission that has not yet expired or been waived; or (ii) if the Purchaser was not afforded three business days to review the Plan or seven (7) days within which to rescind; or (iii) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a principal of the Sponsor, the Selling Agent or the Managing Agent or is related to the Sponsor, the Selling Agent or the Managing Agent or to any principal of the Sponsor or the Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

At Sponsor's option, the Plan may be declared effective either by written notice given by Sponsor to all Purchasers or by duly filed amendment. If the Plan is declared effective by notice, such notice will be the subject of a proposed amendment to be submitted to the Department of Law within five (5) days after the giving of such notice and Sponsor shall simultaneously submit to the Department of Law an affidavit of service of such notice from Sponsor setting forth the names and addresses of all Purchasers, the Units sold and the purchase prices therefor. The Sponsor has agreed that copies of all Purchase Agreements, together with any amendments or modifications thereto, will be delivered to the Department of Law within five (5) business days following a request therefor by the Department of Law.

Sponsor may, in its sole discretion, abandon the Plan for any reason whatsoever, before it is declared effective, or is otherwise required to be declared effective.

Once the Plan has been declared effective, it may not be abandoned except in the event of: (a) a defect in or inability to convey title which was not known to Sponsor or of record on the presentation date of this Plan, affecting one or more Units and/or the Common Elements, that cannot be removed, cured, or complied with for less than one-half of one percent of the total amount of the offering in the aggregate (as reasonably estimated by Sponsor); (b) damage to, or destruction of, all or any part of the Building by fire or other casualty which damage cannot be repaired for less than one-half of one percent of the total amount of the Offering in the aggregate; and (c) the taking of all or a material part of the Property in condemnation proceedings or by eminent domain. In no event, however, will Sponsor be obligated to engage in litigation or to expend monies with respect to defects in title or casualty losses to the Building in excess of the

amounts set forth above. Notwithstanding the foregoing, Sponsor will not be obligated to remedy violations caused by the acts or omissions of any person who becomes a tenant or occupant of the Building or the guest of such tenant or occupant.

If this Plan is withdrawn or abandoned, all Purchasers will be so notified in writing. Within ten (10) days thereafter, all Down Payments paid to Sponsor will be returned to Purchasers (any interest earned on the Down Payments will be returned within thirty (30) days). Upon the return of the Down Payments and any such interest, the Purchase Agreements will be void and Sponsor will have no further obligations or liability to purchasers under this Plan or under any Purchase Agreements. In the event the Plan is abandoned, Sponsor will promptly submit an amendment to the Department of Law reflecting such abandonment and file a notice of abandonment on form RS-03 or such other form as the Department of Law may require.

M. CLOSING OF TITLE TO UNITS

The term "closing" or "closing of title" refers to the delivery to a Purchaser of a deed conveying title to a Residential Unit upon payment of the balance of the Purchase Price to Sponsor. The source of such funds may include the proceeds of any mortgage loan from a bank or other lender.

THE CONDITION OF THE UNIT WILL NOT BE DISCUSSED AT THE CLOSING AND A PURCHASER WHO FAILS TO TENDER THE FULL BALANCE DUE AT CLOSING SHALL BE IN DEFAULT.

The closing of title to each Unit will take place concurrently with or after the occurrence of the following events:

1. Issuance of a temporary or permanent Certificate of Occupancy for the Building, or alternatively a partial temporary certificate for the Unit and any other permits necessary for the occupancy of the Unit, or for the occupancy of the Building.

2. Recording or filing of the Declaration, By-Laws, Floor Plans, architect's certification and taxing authority certification required by Section 339-p of the Condominium Act or as otherwise required by law.

3. Delivery to Purchaser of an amendment to the Plan to disclose that the Plan has been declared effective and which states that Sponsor had complied with the requirements of applicable regulations of the Department of Law relating to the declaration of effectiveness and the transfer of title.

4. After the amendment disclosing that the Plan has been declared effective is accepted for filing by the Department of Law, the Purchaser shall have been given no less than thirty (30) days prior written notice of the date on which title to his Unit is to close and no less than five days opportunity to inspect his Unit and the other property subject to the Declaration.

5. Discharge or release of the Unit and the interest in the Common Elements appurtenant thereto from the lien of any mortgage affecting the Unit as required by Section 339-r of the Real Property Law, so that the Unit and its Common Interest will not be subject to the lien of any mortgage at the time of closing except for any purchase money mortgage obtained by Purchaser in connection with the acquisition.

6. Delivery to Purchaser of a Bargain and Sale Deed for the Unit with a covenant against grantor's acts, in substantially the form set forth in Document Number 4 in Part II.

7. Execution of an instrument by Purchasers of Units in the form provided in Document Number 3 in Part II of the Plan, designating the Board of Managers as his attorney-in-fact, coupled with an interest, for, but not limited to, managing, selling, mortgaging, leasing, voting with respect to and otherwise dealing with any Unit acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and for purposes consistent with the implementation of the Plan, and for the purpose of executing, acknowledging and delivering any declaration deemed necessary or desirable to comply with any law or any covenant or restriction affecting the Common Elements, and for the purpose of authorizing the Board of Managers to bring any action or proceeding to reduce real estate tax assessments and authorizing the Board of Managers to cause certain changes in the Declaration under certain limited circumstance.

Title Insurance

On request of any Purchaser and at Purchaser's sole cost and expense, Sponsor will obtain, as of the closing of title to a Purchaser's Unit, a policy of title insurance from Heights Abstract Ltd. (1-718-624-3100) as policy issuing agent for First American Title Insurance Company of New York (the "Title Company") insuring that (i) Purchaser has fee title to his Unit free and clear of all liens and encumbrances except those set forth in this Plan and standard exceptions generally excluded from coverage by the Title Company (see "Sponsor's Conveyance of Title to Units" in this Section) and except for any purchase money mortgage which Purchaser may obtain to pay any part of the purchase price of the Unit, subject to the provisions of the Declaration and By-Laws, and (ii) the Condominium has been validly created pursuant to Article 9-B of the Real Property Law of the State of New York, as amended. Any such title insurance will be in an amount equal to the purchase price for the Unit. The Purchaser, at his election and expense, may obtain title insurance from any other title insurance company licensed to do business in New York. A Purchaser shall not be entitled to adjourn the closing because its title company is not prepared to close title on such date.

Sponsor's Conveyance of Title to Units

Title to each Unit and its appurtenant interest in the Common Elements will be conveyed to each Purchaser by Bargain and Sale Deed with covenant against

grantor's acts in the form set forth as Document No. 4 in Part II of this Plan, free and clear of all liens and encumbrances other than:

1. State of facts shown on survey dated May 22, 2004, prepared by Barry M. Fahrer and any changes therefrom a current, accurate survey or personal inspection of the Unit or Property would show, provided that such changes do not render title unmarketable.

2. The terms, conditions, easements, covenants and provisions of the Declaration and By-Laws, the Rules and Regulations and Floor Plans.

3. The agreements, covenants, easements, restrictions and other matters of record as pertain to the Unit or to the Property, provided same do not prevent the use of the Residential Unit as a residential condominium or materially adversely affect its value for such purpose.

4. Zoning and other resolutions, regulations, laws and ordinances and any amendments thereto, provided that neither the Building nor the Unit nor its uses pursuant to this Plan would be prohibited thereby, and any Declaration of Zoning Lot Restriction and Zoning Lot Ownership Statement (if required by law, ordinance, regulation, zoning resolution or administrative agency) and other documents recorded in the Office of the City Register, New York County and any other instrument or declaration affecting the Property which must be filed or recorded in compliance with applicable laws, rules and regulations in connection with this Plan or the consummation hereof.

5. Easements in favor of the owners of other Units to use pipes, flues, wires, ducts, conduits, cables, utility lines and other Common Elements, including those located in the Unit itself or elsewhere on the Property, serving such other Units, and easements of necessity in favor of the other Units and/or the Common Elements.

6. Easements for the continuance of encroachments on Units and on the Common Elements or Limited Common Elements by other Units or portions of the Common Elements then existing by reason of the construction of the Building or thereafter occurring by reason of the settling or shifting of the Building, or by reason of repair and/or restoration by the Board of Managers of the Building, such other Units or such Common Elements after damage by fire or other casualty or after a 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 the Board of Managers, or to any other Units so that such encroachments may remain as long as the Building stands.

7. Franchise taxes and New York City General Corporation Taxes of any corporation in the chain of title, provided that the Title Company is willing to insure that such taxes will not be collected out of the Unit.

8. Current real estate taxes not yet due and payable which shall be apportioned as hereinafter set forth.

9. Sewer, water, electric, plumbing, heating, gas, telephone and other utility easements and consents, if any, then or thereafter recorded, including the right to maintain and operate lines, wires, cables, amplifiers, transformers, equipment, pipes, conduits, poles, meters and distribution boxes in, over, under and upon the property and the Building (including but not limited to any agreement with any cable franchise permitted by municipal regulation to locate and maintain television lines and equipment in the Common Elements.)

10. The lien of any purchase money mortgage obtained by the Purchaser.

11. Easements in favor of the Sponsor and its successors, assigns, invitees, licensees, contractors, employees and tenants, on, in, over and across all parts of the Property for (i) construction, installation, maintenance, ingress to and egress from and the right to use in common with all other Unit Owners, pipes, flues, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility systems and all fixtures and equipment serving any portion of the Property and for the purpose of completion of construction in accordance with the Plans and Specifications; (ii) ingress to and egress from all parts of the Property and the use thereof in common with Unit Owners for all lawful purposes; and (iii) the erection, maintenance, repair and replacement from time to time of one or more signs in or on the Property, relating to the sale of Units and the leasing of space in any Unit.

12. Easements for ingress and egress and for construction, installation, operation and maintenance of municipal service facilities and utilities and communication conduits.

13. Rights of all other Unit Owners through the Common Elements and in the event of emergency, or if required by law or necessity, the Unit or the Limited Common Elements to and from the public streets.

14. Encroachments by any balcony or terrace, if any, on an adjoining Unit or the Common Elements. Encroachments of stoops, areas, cellar steps, trim coping, foundations, fences, cornices, and similar projections, if any, of the Common Elements on over and under the property or the streets or sidewalks abutting same and rights of governmental authorities to require removal of projections and variations between retaining walls and record lines.

15. Powers of Attorney from the Unit Owners to the Board of Managers of the Condominium and their successors in office.

16. Standard exceptions contained in the form of title insurance policy issued by the Title Company.

17. Consents by the Sponsor or any former owner of the Property for the erection of any structure on, under or above any street or streets on which the Building may abut.

18. Revocability of license for vault space, if any, under sidewalks and streets.

19. Any encumbrance as to which the Title Company or other title company insuring Purchaser's title, 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.

The Sponsor may, but shall not be obligated to, repair any damage from a casualty or other cause that occurs before closing of a Purchaser's Unit.

If Sponsor fails or refuses to repair any damage, then, provided Purchaser is not then in default, the Purchaser's sole right and remedy will be to either (i) take title subject to the damage (without abatement in or credit against the purchase price or claim or right of action against Sponsor for damages or otherwise) or (ii) return to Purchaser within ten (10) days, all monies deposited by Purchaser (the Interest thereon will be paid within approximately thirty (30) days. Upon making such refund, the parties shall be relieved of all further obligations and liabilities under the Purchase Agreement and this Plan. If the Purchase fails to notify Sponsor of his election within fifteen (15) days after Sponsor notifies Purchaser of Sponsor's refusal to repair any damage, it will be conclusively deemed that Purchaser elected to acquire title subject to the damage. If Sponsor notifies Purchaser that it will repair any damage, then Purchaser cannot cancel his Purchase Agreement for so long as Sponsor is using reasonable efforts to diligently repair such damage.

All personal property located within the Unit on the date the Purchase Agreement is signed or located within the Common Elements on the date the Declaration is filed that is owned by the Sponsor is included in the conveyance unless specifically excepted in the Offering Plan.

Any defects in title, when and if discovered, will be promptly disclosed in a duly filed Amendment to this Plan. If Sponsor notifies Purchaser that it will remove or cure a defect in title, then Purchaser cannot cancel his Purchase Agreement for so long as Sponsor is using reasonable efforts to diligently remove or cure such defect.

Sponsor reserves the right to grant easements for additional utility, sewer and drainage lines, equipment and appurtenances in, under and through the Property, to relocate any existing utility, sewer and drainage easement and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company, if Sponsor shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health and welfare of any Unit

Owner, or users of, or residents of any buildings on land adjacent to the Property, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for dwelling purposes. Any utility company or public benefit corporation furnishing services to the Property and its employees and agents shall have a right of access to any Unit, to the Common Elements and the Limited Common Elements in furtherance of such easements provided such right of access is exercised in such a manner so as not to unreasonably interfere with the use of the Units.

Expenses of Forming Condominium

The Sponsor will bear all costs and expenses incurred in connection with this Plan and the creation of the Condominium, including, but not limited to: legal fees, selling expenses, advertising and printing expenses, architect's fees, organization costs and surveying and engineering costs.

N. UNIT CLOSING COSTS AND ADJUSTMENTS

1. *Closing Costs*

The Purchaser will be responsible for the payment of the following closing costs and expenses calculated pursuant to the expenses and rates in effect as of the closing date. The estimates set forth below are based on rates in effect as of the date of the initial presentation of this Plan and are subject to change without prior notice or amendment:

(1) All New York State and New York City Real Property Transfer Taxes (collectively "Transfer Taxes"), payable in connection with the transfer of real property or the recording of a Unit Deed. The New York City Department of Finance and the New York State Department of Taxation and Finance have taken the position that where the Purchaser of real property pays the Transfer Taxes, the amount of such Transfer Tax which would otherwise be payable if the Seller were to pay such taxes will be included in the total consideration upon which the actual Transfer Taxes are computed. Accordingly, the effective rate of the New York City Real property Transfer Tax for Residential Units is equal to approximately 1.0142% of the Purchase Price for transfers of Units where the Purchase Price is $500,000 or less and approximately 1.451% of the Purchase Price for transfers of Units where the purchase price is more than $500,000. The New York State Transfer Tax is equal to approximately $2.03 for each $500 (or part thereof) of the purchase price where the Purchase Price is $500,000 or less and approximately 2.04% for each $500 of the purchase price for transfers of Units where the purchase price is more than $500,000. Although such transfer taxes are customarily paid by the seller in single family home transactions, these taxes are generally paid by purchasers of new condominium units. Consistent with such customs, the Purchasers shall be responsible for the payment of such Transfer Taxes.

Additionally, New York State imposes an additional tax ("Mansion Tax") of one (1%) percent on the transfer of Units where the purchase price is more than one million ($1,000,000) dollars. This tax is also paid by the Purchasers.

(2) If the Purchaser elects to obtain fee title insurance, he will pay the premium therefor which will vary depending upon the amount of insurance requested. If a Purchaser elects to obtain only fee title insurance from the Title Company, Purchaser will be entitled to a Bulk Discount of 30% of the standard premium. The premium for a $1,500,000 fee policy will be $4,099. The premium would be increased $2.37 per thousand dollars of coverage for purchase prices in excess of $1,500,000.

If a Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from the Title Company, the premium for the fee title insurance will remain the same (inclusive of the 30% discount) however, the premium for the mortgage amount will be computed with an additional discount. The title premium for a $1,500,000 fee policy with a $1,125,000 mortgage policy (i.e. a 75% mortgage) would be $4,099 for the fee policy and $805 for the mortgage policy. The premium for the mortgage policy would be increased $0.59 per thousand for mortgages in excess of $1,125,000. The premium for the fee policy would be increased as stated above.

(3) The fee to record the Unit Deed, Power of Attorney, and the mortgage obtained by Purchaser is $17.00 for each instrument plus $5.00 per page for each page thereof.

(4) A Purchaser will be obligated to pay a mortgage recording tax on any mortgage he may obtain based upon the full amount of his mortgage. Any credit against the mortgage recording tax otherwise payable with respect to a Purchaser's mortgage permitted by Real Property Law Section 339-eeee will inure solely to the benefit of Sponsor. This credit is based upon the mortgage tax paid by Sponsor on the blanket mortgage affecting the entire Property. Accordingly, at closing, Purchaser will reimburse Sponsor in the amount of any mortgage tax credit allowed to Purchaser. The result of this assignment of the credit to Sponsor is that the Purchaser will pay the same mortgage tax as if this was a non-sponsor transaction.

Effective June 1, 2005, the mortgage recording tax in connection with a single Residential Unit with respect to any mortgage securing a principal debt or obligation of (i) less than $500,000, is an amount equal to 2.05% of the original principal amount of the mortgage, and (ii) $500,000 or more, is an amount equal to 2.13%. With respect to mortgages secured by Residential Condominium Units, a quarter point of the tax is paid by the Lender so that the Purchaser actually pays 1.80% or 1.88%, depending on the amount of the mortgage. The Purchaser's portion is further reduced by a credit of $25.00.

(5) If a Purchaser obtains a mortgage loan, the Purchaser will pay all closing costs and expenses in connection therewith in amounts determined by his lender. These costs customarily include, among other things, an origination fee, a commitment fee, fees

for a credit check, mortgage title insurance, lender's attorneys fees and appraisal fees. The borrower may be required by the lender to deposit each month with the lending institution an escrow deposit for the payment of real estate taxes and insurance premiums commencing with the closing date. The amount of the deposit is usually calculated on the basis of the monthly real estate taxes using the actual or anticipated assessed valuation, as well as applicable insurance premiums.

(6) Each Purchaser will be responsible for the legal fees of his own attorney and if a mortgage is obtained the fees of his lender's attorney. In addition, a Purchaser shall also be responsible for the following fees of Sponsor's attorneys, in connection with the closing of title to the Purchaser's Unit:

(a) A fee of $1,250 if the closing is held at the offices of Sponsor's counsel or such other place as Sponsor may designate in its closing notice, otherwise the fee is $1,500, provided, however, that in no event shall the Sponsor be required to close at any location outside of New York City, unless the actual travel time of Sponsor's counsel is paid in addition to all other amounts due hereunder at the regular billing rates of such attorney.

(b) If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, a fee of $250, payable in advance, for preparation of an assignment agreement.

(c) A fee of $350 if the Sponsor, in its sole discretion, shall adjourn the closing at Purchaser's request and Sponsor's counsel shall have already prepared the closing documents.

(7) Each Purchaser will be required to make a contribution to the Working Capital Fund of the Condominium in an amount equal to two (2) months Common Charges. This contribution is not refundable or transferable if the Purchaser sells his Unit. No initial contribution to the Working Capital Fund of the Condominium will be made by the Sponsor (or any other Owner of an Unsold Unit). The funds contributed by Purchasers as Working Capital will be deposited in the general operating account of the Condominium and may be used for such purposes as the Board of Managers shall determine to be appropriate, including for ordinary operating expenses.

(8) Each Purchaser shall be responsible for the New York State Mansion Tax which is applicable to residential transactions of $1,000,000 or more and is computed at 1% of the purchase price (inclusive of the New York State and New York City Transfer Tax paid by Purchaser).

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

(9) A numerical example of closing costs allocable to a typical Unit are set forth below:

UNIT 1

$ 1,395,000.00	Purchase Price
$ 1,046,250.00	75% mortgage (if applicable)

A.	Title Insurance (owner's policy)	$ 5,953.00
B.	Title Insurance (mortgage policy)	$ 1,173.00
C.	Deed and Power of Attorney recorded	$ 315.00
D.	Mortgage Recording Tax (borrower's share)	$20,110.32
E.	NYC Transfer Tax	$19,878.75
F.	NYS Documentary Stamp	$ 5,580.00
G.	Mansion Tax	$13,950.00
H.	Working Capital Contribution	$ 1,963.60
I.	Sponsor's Attorney Fee	$ 1,250.00
	Total	$70,173.67

In addition to the foregoing, the Purchaser will, of course, be responsible for any fees charged by his or her bank, if mortgage financing is obtained; by his or her own attorney; any individual mortgage payments with principal and interest and any additional fees incurred because of any default or failure to close at the schedules time and place.

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

2. *Closing Adjustments between Sponsor and Residential Unit Purchasers*

Real estate taxes for each Unit for the tax period in which title closes and the Common Charges for each Unit for the month in which title closes will be apportioned between Sponsor and Purchaser as of the midnight preceding the date of the closing of title or the date originally scheduled for closing if the closing has been adjourned. In the event that a Unit has not been separately assessed on the closing date for the then current tax period, the apportionment of taxes shall be based upon the actual taxes paid or payable for the then current tax period against the Property, allocated to the Unit based upon its relative Common Interest.

In addition to the foregoing, if the Units have not been separately assessed for real estate tax purposes prior to the closing of title to a Unit, the Sponsor shall place in escrow with Sponsor's Counsel, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes to become due with respect to the Unsold Units for the half of the tax year next commencing or until the Unit is to be separately assessed, whichever is sooner. At each closing, Sponsor may collect from the Purchaser and place in escrow with the Board of Managers, an amount estimated to be equal to such Unit's

proportionate share (based on Common Interest) of the real estate taxes which would be levied against the Property for the half of the tax year next commencing after the closing of title to such Unit, or until the Unit is to be separately assessed, whichever is sooner. Upon such deposit by the Unit Owner, the Sponsor" Counsel shall reimburse Sponsor in a like amount from the amounts deposited by Sponsor. Notwithstanding the foregoing, to the extent that the Sponsor shall have escrowed with Sponsor's lender a sufficient amount for the payment of such taxes, Sponsor shall not be required to escrow additional amounts with Sponsor's Counsel. The Board of Managers will pay from the escrow account the real estate taxes when due and payable prior to the separate assessment of the Unit.

If the tax assessor indicates that more than one half of a tax year may elapse before the Units are individually assessed, the Board of Managers shall collect from Unit Owners (other than Sponsor) with their Common Charges, a monthly tax escrow based upon the estimated tax bill for the entire Property, the Unit Owner's Common Interest and the then current tax rate (or a higher tax rate to reflect a possible increase in rate at the beginning of a new tax year). The Board of Managers will pay all taxes due from the escrow account.

If the actual taxes due for any period for which the Board of Managers collected escrows are higher than the amount collected and held in escrow, the Board of Managers shall, to the extent funds are available, pay the difference and bill the Unit Owners for their proportionate share of such deficiency (based upon Common Interest). If any Unit Owner fails to pay his or her pro rata share within thirty (30) days from the date same is due and payable to the Board of Managers, interest at the maximum rate permitted by law shall accrue on such unpaid amount from thereafter until paid. The Board of Managers will have a lien on such Unit for the 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 Board, the Board shall pay the tax bill and return to Unit Owners their proportionate share of any excess without interest. If the Units are separately assessed with payments to commence during a period for which the Board holds escrow funds, the Board will return the funds to each Unit Owner without interest and the Unit Owner will pay his own tax bill to the City of New York.

3. *Closing Adjustments Between Sponsor and Board of Managers*

Sponsor and the Board of Managers shall apportion as of midnight of the day immediately preceding the closing of title to the first Residential Unit, all items customarily apportioned in New York City by a seller and purchaser of real estate (apart from real estate taxes), including, without limitation, the following:

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

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

(c) charges for electricity, gas and other utilities not separately metered to individual Unit Owners;

(d) payments under assignable service and maintenance contracts, if any;

(e) cost of unused building supplies on hand, at Sponsor's cost, plus sales tax;

(f) premiums for transferable insurance policies;

(g) vault taxes, if any; and

(h) water charges and sewer rents;

(i) other items of prepaid expenses, as of the midnight preceding such closing, in accordance with the Customs in Respect to Title Closings recommended by The Real Estate Board of New York, Inc., as amended.

4. *Adjournment Fee*

If, through no fault of Sponsor, a Purchaser fails for any reason to close title to his Unit on the originally scheduled closing date and Sponsor elects not to cancel such Purchaser's Purchase Agreement as a result thereof, (a) the closing apportionments described above will be made as of midnight of the day preceding the originally scheduled closing date regardless of when the actual closing occurs, (b) the Purchaser will be required to pay to Sponsor (i) as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and this Plan, an amount equal to 0.03% of the purchase price of his Unit for each day starting from and including the originally scheduled closing date to and including the day before the actual closing date, (ii) an additional amount equal to 10% of the Purchase Price which amount shall constitute a further Down Payment, and (iii) $350 to reimburse Sponsor for additional legal fees. The Sponsor may require that an estimate of the foregoing fees be paid in advance as a condition to adjourning the closing.

O. RIGHTS AND OBLIGATIONS OF SPONSOR

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

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

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

Subject to the terms and conditions of this Plan, Sponsor shall have the following rights and obligations to Purchasers.

1. Prior to the closing of title to the first Unit, Sponsor shall have obtained a temporary or permanent Certificate of Occupancy for the entire Building or, alternatively, a partial, temporary or permanent Certificate of Occupancy covering the Unit to be conveyed. Sponsor shall obtain a permanent Certificate of Occupancy and all necessary permits for all residential portions of the Building within two (2) years of the closing of title to the first Unit unless Sponsor shall obtain a renewal or extension of the partial or temporary Certificates of Occupancy.

2. In the event any closing of title occurs before the issuance of a permanent Certificate of Occupancy, Sponsor shall maintain all Down Payments and funds received from the Purchaser of said Unit in a special escrow account as required by Section 352-e(2)(b) of the General Business Law, unless Sponsor's Architect or Engineer (or successor) certifies that a lesser amount will be necessary to complete the work needed to obtain a permanent Certificate of Occupancy, in which case either (i) the sum exceeding the amount so certified by such Architect or successor may be released to Sponsor from the escrow account, or (ii) all amounts may be released upon closing of a Unit if Sponsor deposits with an escrow agent an unconditional, irrevocable letter or credit or posts a surety bond in the amount so certified. In the event Sponsor desires to proceed under (ii) above, Sponsor will disclose this by duly filed amendment to the Plan. However, no Purchaser shall be required to close title to his Unit unless the Unit shall have been substantially completed in accordance with the Plans and Specifications.

3. Sponsor will pay all contractors, sub/contractors and materialmen and all others involved in the construction of the Building on behalf of Sponsor or the furnishing or installation of fixtures, material or equipment supplied to or installed in the Building on behalf of Sponsor and will cause any mechanics' liens arising out of the construction of the Building or the furnishing or installation of fixtures or equipment to be discharged or bonded promptly after the liens are filed.

4. Sponsor has no obligation to defend any suits or proceedings arising out of Sponsor's acts or omissions, or to indemnify the Board of Managers and the Unit Owners, except that Sponsor shall defend suits brought with respect to a breach of any representations made by Sponsor in this Plan.

5. Only those obligations of Sponsor set forth in this Section which are to be performed subsequent to closing, and any representations of Sponsor contained in the Plan, and all obligations on the part of Sponsor pursuant to the General Business Law shall survive delivery of the deed.

6. To the extent required by law, after the issuance of a permanent Certificate of Occupancy, the Sponsor shall deliver a set of "as-built" plans, with respect to the electrical, plumbing and mechanical systems, to the Board of Managers.

7. Sponsor shall pay all common charges, real estate taxes and special assessments levied against the Unsold Units. Sponsor represents that it has the financial resources (including cash flow from Unit sales, Unit rentals and capital contributions of the partners constituting the Sponsor) to meet its obligations with respect to the Unsold Units.

8. Except as specifically set forth herein, no bond or other security has been furnished to secure Sponsor's obligations hereunder, including but not limited to Sponsor's obligations to complete construction after closing title to the first Unit and to obtain any certificate of occupancy. All obligations pertaining to the General and Limited Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by any individual Unit Owners. However, nothing herein shall prevent an individual Unit Owner from bringing an action in the nature of a derivative action against the Board of Managers. During the time the Sponsor controls the Board, it is within Sponsor's sole power to enforce the obligations of Sponsor pertaining to the Common Element. Therefore, Sponsor agrees that during such period, it will enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

9. Sponsor shall procure fire insurance, as set forth in Schedule B at Part I, Section G, pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance. Such insurance will provide that each Unit Owner is an additional insured and that there will be no cancellation without notice to the Board of Managers and Unit Owners. The insurance policies will also contain waivers of subrogation, waivers of invalidity due to acts of the insured and Unit Owners and waivers of pro rata reduction of liability of the insurer due to other insurance carried by individual Unit Owners.

10. Sponsor agrees to keep copies of the Plan, exhibits and documents referred to in the Plan on file at the office of the Sponsor or at another designated place for six (6) years from the date the Plan is accepted for filing by the Department of Law.

11. Sponsor will not liquidate Sponsor's assets for a period of 12 months from the filing of the Declaration, unless at the time of such liquidation, a bond or irrevocable letter of credit is posted in the amount of $25,000. In the event of the dissolution or liquidation of the Sponsor and the transfer of two (2) or more Residential

Units or twenty (20%) percent or more of the total number of residential Units in the condominium, whichever is less, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the sponsor for those Residential Units under the Offering Plan, applicable laws or regulations. Any final liquidation may affect the enforcement of Sponsor's obligations under this Plan, although Sponsor does not intend to avoid its obligations. No warranty, guarantee or other representation can be made that such amount will be sufficient to meet all of my Sponsor's remaining unfulfilled obligations under the Plan.

12. Sponsor reserves to Sponsor and to Sponsor's successors and assigns, and their respective 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 and sale in a manner consistent with the purposes of the Plan and Sponsor's rights and obligations hereunder. Sponsor is obligated to repair any damage caused as the result of such work. Sponsor will not interfere with Unit Owners' reasonable use of their Units during any work period. However, there may be a temporary limitation as to use of the Common or Limited Common Elements. Sponsor's reservation of rights shall include, but shall not be limited to:

(a) The right to maintain general and sales and leasing office(s) and personnel on the premises, to post signs, to show the Unsold Units and hold open houses, and to conduct other activities connected with promotion, sales or leasing of Units, such as inspection and display of vacant or leased Units, as well as all Common Elements, to prospective Purchasers or lessees; and

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

13. In accordance with Section 339-p of the Condominium Act, a registered architect or licensed professional engineer shall certify that the Floor Plans filed with the Declaration are an accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of the Building.

14. It is Sponsor's intention to sell all Units offered in Schedule "A" and will endeavor to do so in good faith in a reasonably timely manner. However, Sponsor reserves the unconditional right to lease all or some of the Units on such terms as Sponsor shall, in its sole discretion and from time to time elect. Sponsor (its successors, assigns or designees) may offer all or any Unsold Units for lease. Purchasers of any such leased Units will be purchasing Units that have been previously occupied. Sponsor will notify Purchasers of Units that have been previously occupied of such occupancy, prior to the execution of a Purchase Agreement, and will set forth the condition in which such Unit will be delivered (including existing warranties, if any). Such Unit will be delivered at the closing of title free and clear of all occupants, unless the occupants are also the

Purchasers. Sponsor or any other offeror of such Unit shall have no obligation to decorate, refurbish or in any way repair such Unit.

15. Sponsor reserves the right, following the recording of the Declaration of Condominium and prior to the closing of title to a particular Unit, to lease the Unit to the Purchaser who has executed a Purchase Agreement and paid the requisite Down Payment, at such rent and on such terms and conditions as may be agreed to between Sponsor and Purchaser. Any such lease will provide that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the lease will constitute a default under the lease entitling Sponsor, at its sole option, to immediately terminate the lease. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any lease with respect to the Unit which is the subject of the Purchase Agreement, including, but not limited to, payment of rent 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. No portion of the rental paid under such lease or occupancy agreement will be credited toward the purchase price of the Unit. No Purchaser shall have the right to occupy the Unit purchased by him prior to the closing thereof unless Sponsor, in its sole discretion, shall permit such occupancy under an interim lease or other written occupancy agreement.

16. Sponsor will assign to the Purchaser upon the closing of title and to the Board of Managers upon the recording of the Declaration, as applicable, warranties, if any, of manufacturers and subcontractors relating to heating, air conditioning, electrical and plumbing work and fixtures and equipment, as well as bonds relating to the Unit or the Common Elements, respectively. 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 assignable. As of the date of the Plan, no such warranties exist.

17. Sponsor will pay all expenses incurred in connection with construction of the Building by Sponsor, establishment of the Condominium and sale of all Units held or owned by Sponsor (except for costs specifically made payable by Purchasers under this Plan). Sponsor will pay all costs of filing this Plan and any amendments thereto.

18. Following issuance of a temporary Certificate of Occupancy, the Units and Common Elements shall be deemed offered in their "as-is" condition on the date of execution of a Purchase Agreement, subject to ordinary wear and tear between the date of execution of the Purchase and the date of closing. The Sponsor does not make any warranty, express or implied with respect to the Building, the Units or the Common Elements, except as may be expressly stated in the Plan.

19. Based upon its current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, the construction of the Building will be sufficiently completed to permit Closings of Units to begin on or about October 15, 2005. Prospective Purchasers should note, however, that the Units will be completed at

differing times over a period that may likely extend significantly beyond such dates. Purchasers will not be excused from paying their full purchase prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to their Units is delayed or postponed by Sponsor. In the event the actual or anticipated commencement date of the first year of condominium operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the Unit Owner's Common Charges in the amended budget exceed those in the latest budget included in the Plan by 25% or more Sponsor will, in the amendment disclosing such budget, offer all Purchasers the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with any interest earned thereon.

20. The Sponsor is constructing a building consisting of five (5) residential Units. Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. During the first few months of Condominium operation, construction workers and related personnel may be at the Building from time to time making adjustments and performing various tasks relating to the completion of construction. Various systems, including but not limited to water supply, air conditioning, heating, ventilating and elevators, may require some time after any closing to complete or adjust, and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require some time after the closing to be completed. The Sponsor shall have no liability by reason of any interruption of services necessitated by any such work.

21. Sponsor has no obligation to repair or improve the Unsold Units, the Common Elements or the Facilities used in connection with the operation of the Building except as otherwise expressly provided in the Plan. Sponsor agrees to complete construction and to cause all mechanic's liens with respect to the construction of the Building to be promptly discharged or bonded (all subject to Sponsor's rights to abandon the Plan).

22. Each Unit and the fixtures and personal property contained therein, are being sold and delivered "AS IS", as described in the Plan, at the time of transfer of title to such Unit unless Sponsor and the Purchaser of such Unit otherwise agree in writing. The Purchaser of a Unit shall inspect such Unit prior to the closing and shall execute at such time an Inspection Statement acknowledging the Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if a Purchaser finds that Sponsor's improvements as described in the Plan or in the Purchase Agreement for such Unit or other writing duly executed and delivered by Sponsor, have not been fully completed, although such improvements have been substantially completed, then Sponsor or its designated representative and the Purchaser will at the time of such execution agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed in the Unit by Sponsor following the Closing for such Unit. Sponsor's obligation thereunder shall survive delivery of the deed to the Purchaser. The failure of Sponsor to complete such work shall not be a ground for the Purchaser to delay

the closing. Sponsor and its contractors, subcontractors, agents and employees, will have a right of access to enter the Unit after closing in order to complete the work on the Inspection Statement.

23. The Sponsor has obtained construction financing in the amount of $2,625,000.00 at the time it acquired title to the property. Doral Bank has consented to the formulation of the Condominium and shall issue partial releases as Condominium Units are sold. There are no conditions to the construction loan with respect to Sponsor's marketing of the Units for sale.

24. Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") does not apply to this offering. In that this dwelling consists of six (6) stories, Sponsor believes that the Housing Merchant Implied Warranty Law does not apply in that this Law applies to new homes of five (5) stories or less. Sponsor will correct, repair, or replace any and all defects relating to construction of the Building, or in the installation or operation of any appliances, fixtures, or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:

A. Such defects are due to substantially improper workmanship or construction practices or the use of materials that are substantially and materially at variance with the Plans and Specifications for the same; and

B. Sponsor is notified of the same in accordance with the following, which notice shall be by certified mail, return receipt requested;

(i) with respect to any latent defect (that is, a defect that is not visually ascertainable) in the construction of an Unsold Unit, within six (6) months of the first occupancy of each Unsold Unit; or

(ii) with respect to any patent defect in the construction of an Unsold Unit within three (3) months of the first occupancy of such Unsold Unit, provided such patent defect is not caused by the use of the Unit Owner.

The method of correcting any defect will be selected by Sponsor in its sole discretion. The quality of construction as to any such correction will be comparable to local standards customary in the particular trade or trades involved and will be in accordance with the Plans and Specifications. Sponsor will be conclusively considered to have discharged any obligation that it may have with respect to any defects, whether patent or latent, if:

(i) Sponsor is not notified of the existence of such defect, in the manner and within the appropriate time period specified above;

(ii) the Condominium Board and/or the Managing Agent and/or the Unit Owner fails to allow prompt access to the Unit in question by Sponsor or Sponsor's contractors; or

(iii) Sponsor has corrected, or caused the correction of, the defect in accordance with the practice of the industry, as determined by Sponsor's general contractor, architect, or engineer, in their sole judgment.

Notwithstanding any provisions hereof to the contrary, Sponsor will not be obligated to correct, and will not be liable to the Condominium Board or any Unit Owner as a result of any defects in construction, or in the installation or operation of any mechanical equipment, appliances, other equipment, finishes, materials or fixtures (including appliances and bathroom fixtures):

(i) with respect to which assignable warranties or other undertakings (however denoted) from manufacturers, contractors, materialmen, or others which are assigned to the Condominium Board and/or the Unit Owner;

(ii) resulting from normal wear and tear, natural deterioration, normal settling, deflection, or shifting of the Building; or

(iii) that are not of a material nature, including, without limitation, the following:

(a) death of trees or landscape improvements, cracks in roof ballast, or concrete cracks that do not impair the structural soundness of the Building, including cracks or discoloration in concrete used in walls and paving, leaching or color variation in colored mortar, tiles, and brick, dimensional variations in brick joints, mortar droppings on bricks, ponding, and/or controlled drainage on roof and terrace surfaces, terrace tiles not laid flat, stained tiles, and cracks in pressure treated wood used, or intended for use, outside the Building;

(b) protruding dry wall fastenings, nail pops, ridging on gypsum board, slight variations in gypsum board taping visible only under certain lighting conditions, walls not square, lumber shrinkage, painting defects, electrical plates or boxes not straight, separation between base moldings and floor, variations in floor and ceiling levels, carpet or floor discoloring or stretching, variations in width, length, thickness, finish, or color range of wood floors, ceiling imperfections, and stains, runs, lumps, shags, or imperfections in weave in fabric panels;

(c) door or window sticking due to weather, door warpage (including warpage of the main entrance door to an Unsold Unit within reasonable tolerances of doors of similar size, weight and quality), adjustment of bi-fold doors, and air and water infiltration from windows in excess of industry standards;

(d) variations in tone or color of natural stone or variations in tone or color of vanity tops or other natural stone surfaces, slight scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel, or porcelain surfaces, discoloration to hardward and plumbing finishes, cracked bath tile grouting, variation in grouting thickness, and misalignment of bathroom finishes;

(e) variations in wood floor stains and finishes caused by normal foot traffic during construction and sales periods;

(f) normal plumbing, heating, air-conditioning, ventilating, and floor noises and creaking;

(g) repair of chips, scratches, mars, breaks, dents, cracks, and other defects in any windows and window sashes, sliding glass doors, shower doors, louvers, insulation attached to the curtain wall, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, water closets, kitchen cabinets, backsplashes, and countertops, vanity tops and cabinets, tile or natural stone floors and walls, saddles, appliances, woodwork, millwork, doors, mirrors, and hardware; and

(h) normal wear, including chips, to passenger elevator cabs, cab doors, elevator door frames, cab panels, apartment doors and apartment door frames.

Notwithstanding the foregoing, Sponsor will be obligated to repair abnormal scratches in plastic laminate, vitreous china, natural stone, wood, porcelain and metallic surfaces by filing or refinishing the same not caused by the use of the Unsold Units by Unit Owners, but Sponsor will not be obligated to replace any such surfaces.

THE ITEMS AND CONDITIONS DESCRIBED ABOVE IN (a) TO (h) ABOVE ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING. PURCHASERS WHO PURCHASE A UNIT IN THE BUILDING OR IN ANYOTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR UNITS OR THE COMMON ELEMENTS. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF SUCH ITEMS AND CONDITIONS AND SHALL NOT BE LIABLE TO ANY PURCHASER OR CONDOMINIUM BOARD THEREFOR. IF PURCHASER OR

THE CONDOMINIUM BOARD DESIRES TO CORRECT OR REPAIR ANYSUCH ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THE PURCHASER OR CONDOMINIUM BOARD WILL HAVE TO PROCEED AT ITS SOLE COST AND EXPENSE AND/OR ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO IT BY SPONSOR.

NOTHING CONTAINED IN THIS SECTION WILL BE CONSTRUED SO AS TO RENDER SPONSOR LIABLE FOR CONSEQUENTIAL DAMAGES (WHETHER BASED ON NEGLIGENCE, BREACH OF CONTRACT, BREACH OF WARRANTY, OR OTHERWISE), IT BEING INTENDED THAT SPONSOR'S SOLE OBLIGATION UNDER THIS SECTION WILL BE TO REPAIR OR REPLACE ANY DEFECTIVE ITEM OF CONSTRUCTION UPON, AND SUBJECT TO, THE TERMS AND CONDITIONS SET FORTH ABOVE. ADDITIONALLY, EXCEPT AS EXPRESSLY SET FORTH ABOVE, SPONSOR WILL HAVE NO OBLIGATION TO CORRECT OR REPAIR ANY DEFECTIVE OR OTHER CONDITIONS IN THE BUILDING (INCLUDING IN THE UNSOLD UNITS AND THE COMMON ELEMENTS) OR IN, OR WITH RESPECT TO, ITS INSTALLATIONS, APPARATUSES, FIXTURES, FINISHES, MATERIALS AND APPURTENANCES. EXCEPT FOR THE EXPRESS SPONSOR WARRANTIES AND UNDERTAKINGS WITH RESPECT TO THE CONSTRUCTION AND COMPLETION OF THE UILDING CONTAINED IN THIS SECTION, NO OTHER WARRANTIES OR UNDERTAKINGS SHALL BE IMPLIED.

P. CONTROL BY SPONSOR

As described more fully in Section Q, the Board of Managers will administer and manage the affairs of the Condominium.

Prior to the first annual meeting of the Unit Owners, which shall be held within sixty (60) days of the anniversary of the closing of title to the first Residential Unit, the Board of Managers shall consist of three (3) persons designated by the Sponsor. At such meeting, a new Board of Managers consisting of three (3) persons shall be elected by the Unit Owners. Until the Sponsor (or its designee) has conveyed 80% of the Residential Units to unaffiliated third-party purchasers, but in no event more than three (3) years following the closing of title to the first Residential Unit (the "Sponsor Control Period"), the Sponsor shall have the right to appoint a majority of the Board of Managers. Through its control of the Board of Managers, the Sponsor will be able to control the operation of the Condominium, including such decisions as the use of the Working Capital Fund.

After the Sponsor Control Period ends, the Sponsor will nevertheless be entitled to appoint one (1) member of the Board of Managers for so long as Sponsor shall continue to own any Residential Unit. After the expiration of the Sponsor Control Period, the Sponsor shall be entitled to case the votes appurtenant to the Unsold Units in favor of such candidates for the Board of Managers in like manner as any other Unit Owner, provided, however, that the Sponsor shall not vote for persons related to or under the control of the Sponsor if to do so would result in a majority of the members of the Board of Managers being persons related to or under the control of the Sponsor.

So long as the Sponsor shall continue to own any Residential Unit, the Board of Managers may not, without the prior written consent of the Sponsor, which consent may be withheld, (i) make any addition, alteration or improvement to the Common Elements, Limited Common Elements or any Unit, or (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, except the amount currently reflected in the budget for the first year of condominium operation (See Section G hereof), or (iii) borrow money on behalf of the Condominium, except to cure violations of law if and to the extent any existing reserve fund is inadequate, or (iv) hire any employee in addition to the employees referred to in the footnotes to Schedule B (See Section G hereof), or (v) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the closing of title to the first Residential Unit, except as required by the By-Laws or as contemplated by this Plan, or (vi) amend the Declaration or By-Laws of the Condominium.

The Sponsor may not exercise veto power over expenses disclosed in Schedule "B" or over expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work ordered by an insurer.

The Sponsor may exercise veto power over expenses other than those described above for a period ending not more than three (3) years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is soon.

The Sponsor shall call a special meeting of the Unit Owners within thirty (30) days of the expiration of the Sponsor Control Period at which special meeting, a new Board of Managers shall be elected in accordance with the foregoing.

The By-Laws of the Condominium do not include a provision that, after an initial Sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupants' household who are unrelated to the Sponsor and its principals. Accordingly, purchasers, for their own occupancy, may never gain control of the Board of Managers under the terms of this Plan.

So long as Sponsor is entitled to appoint a majority of the members of the Board of Managers, Sponsor will be able to control the Board of Managers and through control of the Board, will have control of the maintenance and operation of the Condominium and will determine the Common Charges payable by the Unit Owners, including Sponsor.

All members of the Board of Managers shall serve without compensation; Sponsor has agreed that is shall not amend the By-Laws to provide otherwise so long as Sponsor shall have representation on the Board.

While Sponsor has voting control of the Board, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan. The Sponsor shall have the right to withhold consent to any of the foregoing actions.

The Board may not be prohibited from removing members for cause, even if they are designated by the Sponsor.

See Section P for a discussion of the procedure for removal of members of the Board of Managers.

Q. BOARD OF MANAGERS AND SUMMARY OF DECLARATION AND BY-LAWS

1. *Election of Board of Managers*

Within sixty (60) days after the anniversary of the closing of title to the first Residential Unit under the Plan, Sponsor shall call the first meeting of Unit Owners at which meeting the three (3) initial members of the Board appointed by Sponsor (such persons being intended to be Joseph Lozito, William Lozito and Matthew Brown, all of whom are principals of Sponsor's Managing Member) will resign and a new three (3) member Board of Managers shall be elected (subject to Sponsor's right to designate a majority of the members of the Board of Managers during the Sponsor Control Period and thereafter to designate certain members so long as Sponsor shall own a certain number of Residential Units) (See Section P hereof for a complete discussion of Sponsor's rights). In addition, the Sponsor shall call a special meeting of the Unit Owners within thirty (30) days of the expiration of the Sponsor Control Period at which special meeting, a new Board of Managers shall be elected.

All members of the Board of Managers (other than any elected or designated by Sponsor) shall be Unit Owners, mortgagees of Units, partners or employees of a partnership owning a Unit or holding a mortgage covering a Unit, shareholders, officers, directors or employees of corporate owners or of corporate mortgagees of Units, or fiduciaries or officers or employees of fiduciaries who are owners or mortgagees of Units.

All members shall serve for the terms prescribed by the By-Laws. So long as Sponsor is entitled to appoint a majority of the Board, Sponsor will have control of the Board, and through control of the Board, Sponsor will also have control of the maintenance and operation of the Condominium and will determine the Common Charges to be paid by all Unit Owners, including Sponsor.

The term of office of the members of the Board of Managers elected by the Residential Unit Owners shall normally be two (2) years or until their successors are elected, except that the term of office of the member elected at the first meeting who receives the least number of votes shall be fixed at one (1) year or until their successor is elected. At the expiration of the initial term of office of each member of the Board of

Managers his successor shall be elected to serve for a term of three years or until his successor is elected.

To the extent Sponsor may appoint a member at the initial meeting, such appointees shall serve the shortest term and shall resign their positions at the end of their respective term if Sponsor shall at such time no longer be entitled to appoint such members.

The owner or owners of each Unit (except the Board of Managers or its designee) or some person designated by said owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The total number of votes shall be 1,000,000, and each Unit Owner shall be entitled to cast one (1) vote at all meetings of Unit Owners for each .0001 percent of interest in the Common Elements appurtenant to his or their Unit.

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 designated by Sponsor, may (subject to the following provisions to the contrary) be removed with or without cause by a majority of the Unit Owners on whose behalf such member was elected and a successor may thereafter be elected to fill the vacancy thus created, provided notice of the proposed removal was given to the member in the notice of meeting. Notwithstanding the foregoing, a member of the Board of Managers designated by Sponsor (or its designee) may only be removed by Sponsor and only the Sponsor shall have the right to designate his replacement. If a member of the Board of Managers ceases to a Unit Owner or Unit mortgagee (or a partner, officer, director, stockholder or employee of a partnership or corporate owner or mortgagee or fiduciary owner or mortgagee), unless such member is a designee of the Sponsor, he shall be deemed to have resigned effective as of the date such ownership or mortgage interest ceased. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting.

The Board of Managers shall not be prohibited from removing members for cause.

The Board of Managers will be responsible for management and maintenance of the Condominium and shall have the powers and duties necessary for the administration of the affairs of the Condominium and may perform any acts necessary therefor, consistent with the Declaration, By-Laws and applicable law. Such acts include (i) determination, collection and enforcement of the obligations of Unit Owners to pay Common Charges; (ii) employment and dismissal of personnel; (iii) the right to accumulate reserves for capital replacements or otherwise (subject to limitations set forth above so long a Sponsor owns any Unit); (iv) providing for insurance; and (v) adoption of rules relating to the use and operation of Condominium property.

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

which a quorum is present; further, in the event of a tie vote on the Board of Managers, the President or in his absence, the Vice President, or in his absence any other designated officer or committee member, shall cast the deciding vote.

A detailed list of the powers and duties of the Board is contained in Article II, Section 2 of the By-Laws.

2. *Officers of Condominium*

The principal officers of the Condominium shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Board of Managers. The Secretary may be a Residential Unit Owner, or may be an employee of the Managing Agent, but in any event need not be a member o the Board of Managers. The Board may appoint such other officers as in its judgment may be necessary for operation.

The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners, the Board of Managers. He shall have such general powers and duties as would be incident to the office of president of a typical 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 may in his discretion decide is appropriate to assist in the affairs of the Condominium. The Vice-President shall have the powers and responsibilities of the President in the event the President is unavailable or unable to act.

The Secretary shall keep the minutes of all meetings of the Unit Owners, the Board of Managers. He shall have charge of such books and papers as the Board of Managers direct and generally shall 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. The secretary shall be the "responsible person" required by Section 83 of the Multiple Dwelling Law and shall register with such governmental agencies as shall be required to satisfy such provision.

The Treasurer of the Condominium shall have the responsibility for Condominium funds and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for preparation of all required financial date for the Condominium. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers or its agents in such depositories as may from time to time be designated by the Board of Managers. He shall, in general, perform all 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.

Officers may be removed at any meeting of the Board of Managers, provided notice of the proposed removal has been given to such officer and is contained in the notice of the meeting. Any officer whose removal has been proposed shall be

given an opportunity to be heart at the meeting. All officers shall serve without compensation.

3. *Liability of Board of Managers and Unit Owners*

In order to limit the liability of the members of the Board of Managers and the Unit Owners, any contract or other commitment made by the Board of Managers shall state that it is made by the Board of Managers only as agent for the Unit Owners or, if not all Unit Owners, the Unit Owners who shall receive the benefits thereof, that the members of the Board of Managers shall have no personal liability on any such contract or commitment, except as Unit Owners, and that the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners receiving the benefits thereof. The Board of Managers shall have no liability to the Unit Owners for errors of judgment, negligence or otherwise, except willful misconduct or bad faith. The Unit Owners shall severally indemnify and hold harmless the members of the Board of Managers against any liability or claim except those arising out of the bad faith or willful misconduct of members of the Board of Managers, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners.

4. *Reports to Unit Owners; Notice of Meetings; Examination of Books*

An annual report of the receipts and expenditures of the Condominium, audited by an independent certified public accountant shall be furnished promptly after the end of each fiscal year by the Board of managers to all Unit Owners and to all mortgagees of Units who request same. The cost of such report shall be paid by the Board of Managers and shall constitute a Common Expense.

Unit Owners will be given notice by mail of each Unit Owners meeting not more than forty (40) nor less than ten (10) days prior to such meeting.

Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times during regular business hours at the office of the Condominium or wherever designated by the Board of Managers.

5. *Right of First Refusal of Board of Managers: Funds for Acquisition*

The Board of Managers, with the approval of a majority of the Residential Unit Owners (as such term "majority" is defined in the By-Laws), may purchase or lease a Residential Unit from a Residential Unit Owner desiring to sell or lease it or at a foreclosure or other judicial sale. This right of first refusal shall not be applicable to (i) the Sponsor or its designee, (ii) sales or leases made to persons or entities related to the selling or leasing Residential Unit Owner, or (iii) sales of Unsold Units. In the event the

Board of Managers does not have sufficient funds on hand for the purchase or lease of a Unit which has been approved by a majority of the Residential Unit Owners, the Board of Managers may either borrow such funds or may assess the Residential Unit Owners (other than Sponsor) therefor in proportion to their respective percentage of Common Interest.

Any Unit acquired or leased by the Board of Managers or its designee shall be held on behalf of all Residential Unit Owners in proportion to their respective percentage of Common Interest and the costs thereof shall be a Common Expense. The votes appurtenant to the Units so acquired may not be voted by the Board of Managers or its designee.

Each Residential Unit Owner, on the closing of title to his Unit, will be required to execute at the Unit Owner's expense, an instrument in the form set forth in Document No. 3 in Part II, entitled "Form of Power of Attorney", irrevocably constituting the Board of Managers and its successors as his attorneys-in-fact, coupled with an interest, for the purpose of (i) acquiring a Residential Unit pursuant to the provisions of the Declaration and By-Laws, and thereafter conveying, mortgaging, leasing, or otherwise dealing with any such Residential Unit acquired or leased by the Board of Managers, (ii) amending the Declaration or By-Laws in accordance with the provisions thereof, (iii) executing and delivering any consents, authorizations, applications or easements which are required to comply with law or which the Board of Managers deems appropriate (subject to the limitations of the Declaration and By-Laws), (iv) effectuating any provision of the Offering Plan, or (v) commencing and prosecuting a tax reduction proceeding on behalf of all Unit Owners.

6. *Termination of Condominium and Partition of Common Elements*

The Condominium shall continue (unless terminated by casualty loss as provided by law, or by condemnation as described in the By-Laws), until such time as the Property shall be withdrawn from the provisions of Article 9-B of the Real Property Law of the State of New York as a result of a vote to do so by at least 80% in number and in Common Interest of the Unit Owners, other than Sponsor. In such event, the Property will be subject to an action for partition by any Unit Owner or any lienor as if owned in common and the net proceeds of the sale resulting therefrom, after first applying the share of the net proceeds of such sale otherwise payable to each Unit Owner to the payment of any liens on his Unit in the order of priority of such liens, shall be divided among all Unit Owners in proportion to their respective percentage interest in the Common Elements. Except as set forth in this paragraph, the Common Elements will not be subject to an action for partition.

7. *Review of Real Estate Assessment on Units*

Pursuant to Section 339-h(2) of the New York Real property Law, the Board of Managers may, but is not obligated, to act as an agent for one or more Unit Owners who has given written authorization to the Board of Managers to file a single

complaint and bring a special proceeding on behalf of Unit Owners who wish to contest the real estate tax assessments of their Units. However, each Purchaser of a Unit is required to sign a Power of Attorney appointing the Board of Managers as his attorney in fact to bring an administrative or judicial proceeding to reduce tax assessments. In such event, the Board may retain counsel on behalf of such Unit Owners and charge each Unit Owner for whom it is acting a pro rate share of the expenses, disbursements and legal fees, the payment of which would be secured by a line on each such Unit.

8. *Severance of Ownership Prohibited*

Both the Condominium Act and the By-Laws of the Condominium prohibit a Unit Owner from attempting to convey his Unit apart from the percentage interest in the Common Interest appurtenant thereto. The intent of such provision is to prevent any severance of such combined ownership.

9. *Accumulation of Reserves*

The Board of Managers may assess Common Charges for accumulation of reserves subject to provisions of applicable tax law and subject, for a limited time, to Sponsor's right to withhold consent to such action.

10. *Amendments to Declaration and By-Laws*

The Declaration may be amended with the approval of at least 70% in number and in Common Interest of all Unit Owners, provided, however, that the Common Interest appurtenant to a Unit cannot be altered without the consent of all Unit Owners affected. The Sponsor, is permitted to make certain amendments to the Declaration in connection with the construction and alteration of Units owned by them without the consent of other Unit Owners.

The By-Laws may be amended with the approval of at least 70% in number and in Common Interest of all Unit Owners. The consent of the Sponsor is required for certain changes in the By-Laws.

Notwithstanding the foregoing, the Declaration or By-Laws may not be amended with respect to Sponsor unless Sponsor, consents thereto as provided in this Plan.

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

The form of Declaration, By-Laws and Rules and Regulations of the Condominium appear as Document Numbers 5 and 7 in Part II of the Plan, respectively, and should be reviewed by Purchasers and their attorneys.

1. *Sale or Lease of Units by Residential Unit Owners*

Each Residential Unit Owner has the right to sell his Residential Unit (subject to the consent, if required, of his mortgagee, if any) provided that such owner other than Sponsor or its designee, shall first give to the Board of Managers thirty (30) days' prior written notice of the terms of any sale which he desires to make. The failure of the Board of Managers to act within such thirty (30) day period shall be deemed to constitute approval. The Board of Managers may, within such thirty (30) day period, either (a) produce a purchaser who will purchase the Unit upon the same terms as stated in the Unit Owner's notice to the Board of Managers, of (b) agree to purchase the Unit on behalf of all other Residential Unit Owners upon the same terms as stated in the Unit Owner's notice to the Board of Managers. The Board of Managers, however, may not purchase a Unit without the approval of a majority of the Residential Unit Owners (as such term "majority" is defined in the By-Laws). If the Board of Managers does not have sufficient funds on hand for the purchase of a Unit which has been approved by a majority of the Unit Owners, the Board of Managers may either borrow such funds or may assess the Unit Owners therefor in proportion to their respective Common Interest (other than the Sponsor). If the Board of Managers does not produce a purchaser for the Unit, or agree to purchase the Unit on behalf of all other Unit Owners as set forth above within the aforesaid thirty day period, the Unit Owner shall have the right to consummate the sale on the terms submitted to the Board of Managers as more specifically set forth in the Declaration and By-Laws. The Board of Managers shall not have a right of first refusal to purchase in connection with any sale to any entity or person related to Sponsor or a designee of Sponsor but shall be entitled to notice of such transfer, lease or sublease.

A Residential Unit Owner who desires to lease his Unit must give prior written notice to the Board of Managers. The term of any lease shall not be for less than one (1) year and not more than two (2) years. Any lease of a Residential Unit shall generally be in the form recommended for apartments by The Real Estate Board of New York Inc., except as otherwise required in the By-Laws or as reasonably required by the Board. The Board of Managers may from time to time prescribe the form of lease to be used for the lease of a Residential Unit in which case only such form of lease may be used.

Each Residential Unit Owner's right to sell or rent his Unit will be subject to his being current in the payment of Common Charges. In addition, the Board may establish reasonable fees for the processing of sale and lease notices, which shall be payable by the selling or leasing Unit Owner, as the case may be to the Managing Agent.

The restrictions upon the sale and lease of Residential Units set forth in this Section shall not apply to Sponsor or any designee of Sponsor for any Unit it owns, or to a mortgagee (including the holder of a construction loan or permanent loan, if any) acquiring title in foreclosure or by deed in lieu of foreclosure for any Unit it owns, each of whom shall be free to sell or lease on such terms as it may deem appropriate without first notifying or obtaining the consent of the Board of Managers.

Any Unit acquired or leased by the Board of Managers pursuant to its right of first refusal (or otherwise acquired by the Board, such as at a foreclosure sale) may be sold, leased, mortgaged or otherwise dealt with in the discretion of the Board of Managers, which will act on behalf of the Residential Unit Owners. The votes appurtenant to a Unit acquired by the Board in accordance with the foregoing may not be cast by the Board or any other Unit Owner.

At the closing of title to a Residential Unit in connection with the initial sale or subsequent resale, a Purchaser will be required to execute a power of attorney in the form set forth as Document No. 3 in part II, or such other form then required by the Board, which will irrevocably designate the members of the Board, as attorneys in fact, to acquire Units and sell, lease or mortgage Units acquired by it on behalf of all Unit Owners in accordance with their respective Common Interests.

Different provisions relating to the sale or lease of Residential Units may be made in the future consistent with the Condominium Declaration, By-Laws and applicable law. Notwithstanding the right of Unit Owners to amend the Declaration or By-Laws to provide for different provisions relative to the sale or lease of Units, there shall be no change in the Declaration or By-Laws affecting the rights of the Sponsor to sell, lease or sublease any Unsold Units unless and until the written consent to such change in the Declaration of By-Laws is first obtained from the Sponsor.

On the resale of any Units (except by the Sponsor or its designee), the Board of Managers may require that all closings be held at the office of the then managing agent who shall be entitled to a reasonable fee for its services in preparing the necessary documents, arranging for occupancy by the new Unit Owner and for keeping the records of the transaction.

Payment of Rents to Board of Managers Upon Unit
Owner's Default (Section 339-kk of the Real Property Law)

Pursuant to Real Property Law Section 339-kk, the Board of Managers has the right to collect rents directly from the tenant of a Non-Occupying Unit Owner, if such Unit Owner is not current in the payment of Common Charges, Assessments or late fees. In order to collect rents directly from the tenant, the Unit Owner must have failed to make the payment of Common Charges, Assessments or late fees within sixty (60) days of the earliest expiration of any-grace period. Prior to collecting the rents directly, the Board of Managers must provide written notice to the tenant and the Unit Owner providing that, commencing immediately and until such time as all payments for all Common Charges, Assessments or late fees are made current, all rental payments are to be made directly to the Condominium at the address provided in the notice. Once all Common Charges, Assessments or late fees are current, the Board of Managers must within three (3) business days, provide notice to the tenant and the Unit Owner of such payment and, that thereafter, all future rental payments should be made to the Unit Owner. If a Unit Owner wishes to contest the Board's claim to rental payments he shall be entitled to present his supporting facts at the next scheduled Board meeting (which

must be held within thirty (30) days of the Board receiving notice of contest). Where a majority of the Board has been elected by and from among the Unit Owners who are in occupancy, the Board may elect to waive the provisions of Section 339-kk.

Sponsor makes no representation or guarantee that any tenant, or the Condominium, will in fact comply with RPL Section 339-kk, and Sponsor shall have no liability for their failure to do so. Sponsor makes no representation as to (i) RPL Section 339-kk's effect on the lien priority of a loan heretofore or hereafter made to a Unit Owner and secured by the Unit, or whether RPL Section 339-kk enactment or compliance therewith by a tenant constitutes a default by the Unit Owner under said loan, (ii) RPL Section 339-kk's effect on assignments of leases and rents given by a Unit Owner to a mortgagee, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Board after notice from the Board (in accordance with RPL Section 339-kk) to do so, (iv) the consequence of the Board's failure to give notice to a tenant, or (v) who is responsible for designating an agent to whom rental payments are to be made after the Unit Owner is brought current in payment of common charges, assessments and late fees, or (vi) the tax effects, if any, of RPL Section 339-kk.

2. *Mortgaging of Units by Unit Owners*

Each Residential Unit Owner has the right to mortgage his or her Unit, provided that (i) the mortgage shall be substantially in the form of the New York statutory form of mortgage or such form as an institutional lender (bank, savings and loan association, etc.) shall require (ii) the Board of Managers is notified in writing of the making of the mortgage and receives a conformed copy of the mortgage and note, (iii) the mortgage states that if consent by the mortgagee is required to any amendment to the Condominium Declaration and By-Laws such consent will not be unreasonably withheld or delayed, and (iv) the Unit Owner making such mortgage first pays all assessments and Common Charges previously assessed by the Board of Managers against the Unit, and satisfies all unpaid liens against the Unit, except for the lien of a permitted mortgage. The Sponsor shall have the right to mortgage the Unsold Units without any restriction or limitation.

3. *Use of Units*

In order to provide a congenial atmosphere in the Building and to protect the values of the Units, the By-Laws provide that the use of the Residential Units and Common Elements shall be restricted to and be used in accordance with the following provisions:

(a) Residential Units shall be used for dwelling purposes only, except that they may be used as professional or home offices by the resident thereof, to the extent permitted by applicable building and zoning laws, but only with the prior written consent of the Board of Managers, which shall not be unreasonably withheld, unless such use is prohibited by law. Notwithstanding the foregoing, Sponsor shall also have the right, in connection with the sale or lease of Units, without charge, other than the

payment of Common Charges (i) to maintain general and sales offices in one or more Units or elsewhere on the site, to use one or more Units as models and for other promotional purposes in connection with the sale or lease of Units and to erect and maintain signs on the site in connection therewith, (ii) to have Sponsor's employees, contractors, representatives and sales agents present on the site, (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units, to complete construction of the Building and to comply with Sponsor's obligations under this Plan, and (iv) to issue consents for such professional or home use which shall be binding on the Board;

(b) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably intended and which are incidental to the use and occupancy of Units. No Unit Owner shall make any addition, alteration, improvement or change in or to any Common Element or locate anything therein without the prior written consent of the Board of Managers;

(c) No nuisances which interfere with the peaceful possession or proper use of the Property by Unit Owners, residents or occupants of the Building shall be allowed;

(d) No immoral, improper, offensive, or unlawful use shall be made of the Property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. 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 expense of the respective parties (Unit Owners or the Board of Managers) responsible for the repairs or other matters or for the portions of the Condominium Property, to which such violation relates;

(e) No portion of a Unit (other than the entire Unit) may be rented, and no transient tenant may be accommodated therein;

(f) 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 in accordance with the By-Laws, provided that copies of such rules and regulations are furnished to each Unit Owners not less than five (5) days prior to the time that they become effective. A rule or regulation may be rescinded by vote of 70% or more of the Unit Owners at a meeting duly called for that purpose.

(g) Prospective Purchasers should carefully review the initial Rules and Regulations set forth as Exhibit A to the By-Laws, along with the By-Laws and the Declaration, which contain many important provisions, including many related to the use of Units and to the day-to-day activities of Unit Owners in the Condominium. (For example, the initial Rules and Regulations prohibit a Unit Owner from keeping household pets (except one dog or cat in any Unit), certain types of television antennas,

clothes washing and drying equipment and hanging laundry in or on the Common Elements or Limited Common Elements).

4. *Estimated Common Charges and Expenses*

Each Residential Unit Owner will be obligated to pay his proportionate share of the cost of operation and management of the Condominium by payment of Common Charges which will be determined in accordance with the Unit's Common Interest. The estimated monthly Common Charges for each Residential Unit for the projected first year of Condominium operation are set forth in Column 6 of Schedule A of this Plan. The Board of Managers shall prepare a budget for the Condominium from time to time, but not less frequently than once each year. Copies of each budget will be furnished to all Unit Owners. The Common Charges payable by each Unit owner, in accordance with his proportionate interest in the Common Elements, shall e based upon such budget and same will be billed and be payable monthly in advance. In the event Common Charges are not paid within thirty (30) days of the date payable, interest will accrue on such unpaid amount until paid, at the maximum rate of interest permitted by law from and after the date due.

The General Common Charges assessed by the Board of Managers, in addition to the cost of repairing and maintaining the General Common Elements, fire and liability insurance covering the General Common Elements, electricity for the General Common Elements, water and snow removal, audit and legal expenses, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium.

The General Common Charges will not include the cost of maintenance, repair or decorating of any Units, or payments required pursuant to the terms of any Unit Owner's mortgage, or real estate taxes covering the individual Unit, all of which costs shall be the sole obligation of the Unit Owner.

In addition to the normal operation expense of the Condominium, the budget may in the discretion of the Board of Managers provide for reserves, working capital and other sums required for the affairs of the Condominium (See Section N regarding the Sponsor's right to withhold consent to such acts for a limited period). Each Residential Unit Owner shall promptly be advised after the adoption of each budget of the amount of Common Charges payable by him pursuant to such budget.

5. *Estimated Common Expenses for First Year of Operation*

Schedule B in Section G contains estimates of the expenses for the first year of operation of the Condominium. This schedule was prepared by the Sponsor in conjunction with D&D Management Services Corp. and the Selling Agent. Because of the possibility of governmental restrictions or pre-emptions, shortages of materials or labor, increases in the expenses of operation, unforeseeable changes in the economy or because actual expenditures may differ from estimated expenditures, such estimates are

not intended, nor should they be considered, as guarantees or warranties of any kind whatsoever, or as any assurance that the actual expenses or receipts of the Condominium may not vary from the amounts shown, or that the Condominium may not incur additional expenses.

Schedule B is predicated upon a full year of operation of the Condominium after all the Units have been occupied.

It should be noted that the estimates of expenses in Schedule B do not include the cost of electricity to be consumed in the Residential Unit for lighting, kitchen and other appliances, etc. Each Unit will be separately metered for electricity and the cost of electricity consumed within such Unit will be billed and payable apart from the Common Charges which Unit Owner will be billed for directly by the appropriate utility company.

6. *Liens for Non-Payment of Common Charges*

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners may perfect a lien on any Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien filed against a Unit for unpaid Common Charges shall be effective from and after the filing of notice thereof in the Office of the New York County Clerk. Such lien shall continue in effect until all sums secured thereby, together with interest thereon, shall have been paid in full, or until six years from the date of filing (unless foreclosure of such lien is started within such period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

7. *Termination of Liability of Unit Owners For Common Charges and Expenses*

The liability of each Unit Owner for the payment of Common Charges and Expenses assessed or becoming due against his Unit shall terminate upon a permissible sale, transfer or other conveyance thereof, together with the appurtenant interests in the Common Elements (as defined in the By-Laws), made by him in accordance with the applicable provisions of the By-Laws. In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, convey his Unit, together with its appurtenant interest in the Common Elements, to the Board of Managers or its nominee on behalf of all other Unit Owners without any compensation, and in such event shall be exempt from Common Charges thereafter assessed. A Purchaser of a Unit shall be required by the Board of Managers to pay unpaid Common Charges assessed prior to his acquisition, except that a mortgagee acquiring title or a purchaser at a foreclosure sale shall not be liable and the Unit shall not be subject to a lien for payment of the Common

Charges assessed prior to the acquisition of title thereto by a mortgagee or a purchaser at a foreclosure sale. However, such mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges assessed after the acquisition of title and so long as it retains title. In the event of a foreclosure by the Board of Managers of a statutory lien for unpaid Common Charges, if the proceeds of the foreclosure sale shall not be sufficient for the payment of such unpaid Common Charges the unpaid balance shall be charged to all Unit Owners as a General Common Charge. If there is a surplus remaining from the proceeds of a foreclosure sale after payment of the indebtedness and all the expenses of the sale, the surplus shall be paid to the Unit owner against whose Unit the foreclosure proceeding was brought.

8. *Meetings and Votes of Unit Owner*

The Unit Owners shall hold annual meetings on the first anniversary of the first meeting of Unit Owners and annually thereafter, unless such date shall occur on a Saturday, Sunday or legal holiday, in which event the meeting shall be held on the succeeding Monday. At each annual meeting, the Unit Owners shall elect the members of the Board of Managers. In addition, special meetings of Unit Owners may be held from time to time pursuant to the By-Laws whenever necessary for the affairs of the Condominium.

At all meetings of Unit Owners, each Unit Owner shall be entitled to cast one (1) vote either in person or by proxy for each Unit owned. There is no cumulative voting. There shall be five (5) total votes.

9. *Repairs And Access by Board of Managers*

All maintenance, repairs and replacements to General Common Elements, whether located inside or outside a Unit, will be made by the Board of Managers, on behalf of all Unit Owners, and the cost thereof will be a General Common Expense. Except for general maintenance of a Special Residential Limited Common Element (such as a balcony or a terrace which a Unit Owner enjoys the exclusive use of and for which he is solely responsible). However, if work is necessitated by the negligence, misuse or neglect of a Unit Owner, his agent, employee or invitee, the Board of Managers may recover the cost thereof from the Unit Owner responsible for the damage by rendering a special assessment which shall be added to the Common Charges due from such Unit Owner. All maintenance, repairs and replacements to the Units, whether structural or nonstructural, ordinary or extraordinary (other than to the Common Elements and Limited Common Elements contained therein) will be made by the respective Unit Owners at their sole cost and expense.

The Board of Managers shall have a right of access to any Unit for the purpose of making any repair or replacement to any of the Common Elements contained therein or elsewhere in the Building or to remedy any condition which would result in damage to any other Unit or the Common Elements, or which would violate the provisions of any mortgage covering another Unit or for the purpose of complying with

any laws, orders, rules or regulations of any governmental body having jurisdiction thereof. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of Units, but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or the Property, or the Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

10. *Additions, Alterations and Improvements by Board of Managers*

Whenever in the judgment of the Board of Managers, with respect to the General Common Elements, it shall be necessary to make additions, alterations or improvements costing more than $100,000 in the aggregate in any one year and the making of such additions, alterations or improvements shall have been approved by more than 70% in number and in Common Interest of the Unit Owners, Residential Unit Owners, as the case may be, including Sponsor if then a Unit Owner, and by the holders of first mortgages on Units, if their approval is required (but only if such additions, alterations and improvements are permitted to be made by the Board of Managers in accordance with the provisions of this Plan, including, but not limited to, the provisions of the last paragraph of the description of the common elements contained in Section D of Part I of this Plan), then the Board of Managers, shall proceed with such additions, alterations or improvements and shall assess all Unit Owners, their proportionate share of the cost; such cost will constitute a General Common Expense.

11. *Additions, Alterations and Improvements by Residential Unit Owners*

No Residential Unit Owner may install any appliance, or make any structural addition, alteration or improvement in his Residential Unit without the prior written approval of the Board of Managers. Such approval may be conditioned upon execution of an agreement, in form and substance satisfactory to the Board, setting forth the terms and conditions upon which such alteration, addition, improvement or repair may be made, including (i) obtaining such insurance as the Board may reasonably deem appropriate, (ii) indemnifying the Board and the Condominium against any liability arising from the work, and limiting the hours of permitted work. Unit Owners may not enclose, paint, resurface or otherwise alter terraces or balconies without the prior written approval of the Board of Managers. No application shall be filed with any Department of the City of New York or with any other governmental authority for a permit (including a building notice) covering any addition, alteration or improvement to be made in a Residential Unit, unless approved and executed by the Board of Managers. In no event will any of the individuals on the Board or any committee thereon incur any liability, to any contractor, subcontractor, materialman, architect or engineer, by reason of such addition, alteration or improvement, or to any persons who may have any claims for personal injury or damage to property arising therefrom. The provisions of this paragraph shall not apply to any Unit owned by Sponsor or its designee.

Notwithstanding the foregoing, so long as the Sponsor shall be continuing to complete construction of the Building, which for purposes hereof shall mean that a permanent Certificate of Occupancy has not been issued, the Board of Managers shall not, without the Sponsor's prior written consent, permit any additions or alterations of a Residential Unit which is of a nature that would require the filing of an application or notice with the Buildings Department or otherwise affect Sponsor's obtaining a permanent Certificate of Occupancy as determined in Sponsor's sole discretion.

The Sponsor and its designees shall also have the right, without the consent of the Board of Managers, other Unit Owners or the holders of the Unit mortgages (but only if thereafter disclosed in a duly filed Amendment to the Plan) to (a) make alterations, additions or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in to and upon any Unit owned by Sponsor, (b) change the layout or number or rooms in any Unit, (c) change the size and/or number or such Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between any Units, and erecting or modifying certain walls or corridors to allocate a portion of the Common Elements to the exclusive use of a Unit(s), which area shall then become a Limited Common element, or otherwise, and (d) reapportion among the Units affected by such change their appurtenant interest in the Common elements, provided, however, that in each instance, the Sponsor shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Mangers and all other Unit Owners harmless from any liability arising therefrom.

The Board of Managers will sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by the Sponsor to any Unit, and permitted as provided in this Plan, provided, however, that neither the Board of Managers nor the Unit Owners shall be subject to any expense or liability by virtue of signing such application or other such documents. A copy of any such application or other document will be furnished to the Board of Managers.

12. *Mechanics' Liens*

Under the provisions of Section 339(1) of the Real Property Law of the State of New York, no lien of any nature may arise or be created against the Common elements except with the unanimous consent of all Unit Owners. Liens may arise or be created only against individual Units and their respective Common Interests by the by the respective owners thereof. A lien for labor performed or materials furnished to a Unit, may be filed against the Unit of a Unit Owner who has expressly requested or consented to such labor or materials but may not be filed against the Unit of any Unit Owner who has not expressly consented to or requested the same, except in the case of emergency repairs. No labor performed or materials furnished to the Common Elements shall be the basis for a lien, but all common charges received by the Board of Managers shall

constitute trust funds for the purpose of paying the cost of the labor performed or materials furnished at the request or with the consent of the Board of Managers.

13. *Insurance*

To the extent possible, the Board of Managers will be obligated to obtain and maintain: (1) fire insurance, with extended coverage, vandalism and malicious mischief endorsements normal for a condominium of this type, insuring the building, the condominium and all of the Units, including the fixtures and appurtenances installed therein by Sponsor, partitions, floors and ceilings within the Units (but not including wall, ceiling or floor decorations or coverings or furniture, furnishings, other fixtures, or other personal property supplied or installed by Unit Owners such as kitchen appliances, if applicable), together with all service machinery contained therein, insuring the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount equal to the full replacement value of the Building (exclusive of the cost of excavations and foundations) without deduction for depreciation; (2) general liability insurance and (3) such other insurance as the Board of Managers may determine to be necessary or desirable.

The proceeds of all policies of physical damage insurance will be payable to the Board of Managers if $100,000 or less, and to a bank, trust company or savings and loan association designated by the Board of Managers as Insurance Trustee, if more than $10,000, in accordance with the terms of the By-Laws, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners as hereinafter set forth. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of an Unit Owner unless the Unit Owners determine not to repair, restore or rebuild the Building.

All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on co-insurance or on pro rata reduction of liability or because of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled by the insurance carrier or substantially modified without at least thirty (30) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees at least ten (10) days prior to expiration of the then current policies and each Unit Owner shall receive a certificate of such insurance.

The cost of all such insurance shall be paid by the Board of Managers and shall constitute a Common Expense.

To the extent obtainable the Board of Managers shall also obtain and maintain: (1) fidelity insurance covering the Managing Agent and all employees and members of the Board of Managers who handle Condominium funds; (2) worker's compensation insurance for Condominium employees; (3) public liability insurance covering each member of the Board of Managers and each Unit Owner in such limits as

the Board of Managers may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common elements, Limited Common Elements and the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit. The Board of Managers shall review such limits once each year. The public liability insurance will also cover cross-liability claims of one insured against another.

The amount of fire insurance to be maintained on the building and the Condominium until the first meeting of the Board of Managers elected by the Unit Owners will be based upon an agreed amount endorsement. The amount of liability insurance to be maintained until the first meeting of the Board of Managers elected by the Unit Owners will be $2,000,000 primary and $50,000,000 excess umbrella. For details regarding insurance coverage see Schedule B in Section H.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit at their own expense (covering items not included or included only to a limited extent in the policy procured by the Board of Managers), provided that such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance.

The insurance coverage to be carried by the Condominium does not include fire, casualty or other risks to personal property or upgraded fixtures, equipment or improvements with Units, or liability coverage for occurrences within a Unit. Unit Owners are encouraged to consider the advisability of obtaining such coverage at their own expense.

14. *Damage by Fire or Other Casualty*

Except as provided above, in the event of a casualty loss to the Building (including the Common Elements and Limited Common Elements), the Board of Managers shall arrange for repair and restoration of damaged Units, Common Elements and Limited Common Elements and any fixtures and equipment installed by Sponsor, in accordance with the Plans and Specifications and this Plan, but not including replacement of wall, floor or ceiling decorations or coverings, or furniture, furnishings, fixtures, appliances, equipment or other personal property of Unit Owners. If the insurance proceeds are not sufficient for the repair or restoration, the Board of Managers must assess all of the Unit Owners for such deficit as part of the General Common Expenses.

Under certain circumstances, damage to the Property may give a Unit Owner or lienor a right of partition (see Article V, Section 3 of the By-Laws).

15. *Unit Owner's Obligation to Comply With Condominium Declaration, By-Laws and Rules and Regulations*

Each Unit Owner will be obligated to strictly comply with the Declaration, By-Laws and Rules and Regulations of the Condominium. Failure to do so may result in the Board of Managers or other Unit Owners exercising any of their rights in these Condominium documents or at law, such as the institution of a lawsuit to enforce the Unit Owner's obligations or to prevent or recover damages for a Unit Owner's breach of his obligations. In certain circumstances, such as the non-payment of Common Charges, the Board of Managers on behalf of Unit Owners will have a lien against the Unit, as described above.

S. INCOME TAX, DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The Sponsor has been advised by its tax counsel, Craig Meltzer, Esq. ("Tax Counsel"), that each Residential Unit Owner who uses such Unit for personal purposes and who itemizes deductions will be entitled under present law to deduct from adjusted gross income for Federal, New York State and New York City income tax purposes the real estate taxes assessed against such Unit and paid to the taxing authorities.

Tax Counsel has also advised that an individual Residential Unit Owner who uses such Residential Unit as a principal or second residence and who itemizes deductions will be entitled under present law to deduct from adjusted gross income for Federal, New York State and New York City income tax purposes interest that constitutes "qualified residence interest." The total amount of indebtedness upon which interest is deductible as an itemized deduction as "qualified residence interest" generally is limited to (A) indebtedness incurred to acquire, construct or substantially improve a principal or second residence, secured by either of such residences, but not more than $1 million, plus (B) other indebtedness secured by a principal or second residence, but not more than $100,000. These dollar limitations are reduced by 50% for married persons filing separate returns.

Subject to certain loss deduction limitations, Residential Unit Owners who use their Units for business or professional purposes or lease their Units for production of income will be entitled to deduct real estate taxes, interest, Common Charges and depreciation as expenses incurred in connection with such income.

In addition, Tax Counsel has advised that some Unit Owners, such as Veterans of the United States Armed Forces, may be entitled to exemptions covering part of the real estate taxes otherwise assessed against their respective Units.

The Condominium will be an unincorporated association managed by the Board of Managers which shall collect the Common Charges on behalf of the Condominium. Counsel has advised the Sponsor that it is unable to express an opinion as

to whether the Condominium should be treated as an association taxable as a corporation for federal and New York State income tax purposes. If, however, the Condominium is taxed as a corporation and is required to pay corporate income taxes, the amount of tax should not be significant. Any tax paid would be levied as a common charge. For New York City income tax purpose, the Condominium will not be taxed as a corporation, but may be subject to the City's unincorporated business tax. (See Tax Counsel's Opinion Letter provided in Part II as Document No. 7).

Tax laws, regulations and ruling are subject to change by the Federal, State and City governments and their agencies and also by judicial and administrative interpretation. Moreover, facts and conditions assumed by Sponsor and counsel are subject to change. To the extent that such changes may occur, no warranties or assurances are made that the income tax deductions discussed heretofore will be allowed. Neither Sponsor nor Counsel will be liable if such changes occur and as a result it is determined that a Unit Owner is not entitled to the deductions referred to above.

T. WORKING CAPITAL FUND

As stated in Section L, at the closing of title to each Residential Unit, each Purchaser from the Sponsor will be required to make a non-refundable contribution to the Working Capital fund of the Condominium in an amount equal to two (2) months Common Charges. However, neither Sponsor nor any entity related to or owned or controlled by Sponsor will be obligated to make such payment. The funds contributed as working capital may be used for working capital, repairs or for such other purposes as the Board of Managers shall determine, provided, however, that so long as the Sponsor shall be in control of the Board of Managers, the Working Capital fund shall not be used to reduce Common Charges.

Because the Building is newly constructed, there will be no separate Reserve Fund established by the Sponsor. No representation is made that the Working Capital Fund will be sufficient to accomplish the purposes set forth above, or other purposes as determined by the Board of Managers in its discretion. If additional funds are required, it may be necessary to increase the Common Charges or to impose a special assessment against all Unit Owners.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND. NO WORKING CAPITAL OR RESERVE FUND HAS BEEN PROVIDED FOR EXCEPT AS SET FORTH ABOVE.

U. MANAGEMENT AGREEMENT, CONTRACT AND LEASES

At or before the closing of title to the first Residential Unit, the Sponsor will cause the Board of Managers to enter into an agreement with a managing agent (the "Managing Agent") experienced in the management of comparable properties. It is anticipated that the initial Managing Agent will be D&D Management Services Corp.,

having its principal office at 5900 Eighth Avenue, Brooklyn, New York, who shall serve for a period of one (1) year from the date of the first closing of title to a Residential Unit. For its services, the Managing Agent will receive an annual management fee of $6,000, payable in equal monthly installments, plus certain commissions and fees if other services specified in the agreement are rendered upon request of the Board of Managers. The management in the agreement will not be assignable by the Managing Agent nor cancelable by the Managing Agent, unless the Board of Managers fails or refuses to comply with or abide by any rule, order, determination, ordinance or law of any federal, state or municipal authority. The Board of Managers will have the right to cancel the management agreement at any time for cause as provided in the management agreement.

The services to be rendered to the Condominium by the Managing Agent will include (a) billing and collecting Common Charges; (b) hiring and discharging contract labor employees; (c) supervising repairs; (d) purchasing supplies for the Property; (e) attending meetings of the Board of Managers and Unit Owners; and (f) furnishing monthly reports of receipts and disbursements to the members of the Board of Managers.

The Managing Agent will not prepare the Condominium's annual certified financial statement; such statement will be prepared by an independent certified public accountant employed by the Board of Managers at its own expense.

The Board of Managers will indemnify the Managing Agent for acts properly performed by it under the management agreement and for costs and expenses incurred pursuant thereto.

V. IDENTITY OF PARTIES

Sponsor

The Sponsor of this Offering is THE 331 e 8 ASSOCIATES LLC, a New York limited liability company which was formed on March 22, 2004. The Managing Member of 331 e 8 Associates LLC is Helix Partners LLC, whose principals are William Lozito, Joseph Lozito and Matthew Brown. The Managing Member is responsible for all decisions involving the planning and consummation of this offering. This offering is the first offering of condominiums or cooperatives in which this Sponsor has been involved. William Lozito and Joseph Lozito, who are each principals of the Managing Member of the Sponsor, are also principals in connection with the Condominium Offering known as the 32 West 128th Street Condominium. As set forth below, the Sponsor has retained a Selling Agent and intends to retain a Managing Agent, both of whom are experienced in the offering and operation of a condominium of the type offered hereby.

Architect

The Sponsor has retained Kutnicki Bernstein Architects, having an office at 96 Spring Street, New York, New York, as its licensed project architect for the Condominium project.

Mechanical Engineer

The Sponsor has retained TK Engineering, P.LLC having an office at 16 Tyran Street, Commack, New York to serve as the project's Mechanical Engineer. T.K. Engineering P.L.L.C.prepared the Report of Property and Specifications contained in Part II of the Plan.

Structural Engineer

The Sponsor has retained Bevan Lawson P.E. having an office at 2201 Pennsylvania Avenue, Philadelphia, Pennsylvania to serve as the project's Structural Engineer.

Attorneys for Sponsor

Robert Castellano Esq., having an office at 11 West 42nd Street, Suite 900, New York, New York 10036 prepared the Plan and represents the Sponsor in connection with all matters pertaining to this Plan.

Tax Counsel

Craig F. Meltzer, Esq., having an office at 11 West 42nd Street, Suite 900, New York, New York 10036.

Tax Expert

Jacob Moseson of Moseson & Associates, with offices at 769 Empire Avenue, Far Rockaway, New York 11691.

Selling Agent

The Sponsor has retained Douglas Elliman, 60 East 56th Street, New York, New York 10022, to serve as the Selling Agent. Its principals have been engaged in development, sales and leasing of residential properties in New York City for many years.

Managing Agent

It is anticipated that the initial Managing Agent for the Condominium will be D&D Management Services Corp., having an office at 6900 Eighth Avenue,

Brooklyn, New York, New York. D&D Management Corp. manages numerous residential properties in New York City, including, but not limited to 1630 Madison Avenue, New York, New York; 142-144 Sackett Street, Brooklyn, New York; 3625 Oxford Avenue, Bronx, New York; 283 Closson Avenue, Brooklyn, New York; 382 6th Avenue, Brooklyn, New York and 474 60th Street, Brooklyn, New York.

These properties and others managed by D&D Management Corp. are both rental properties and condominium properties.

Neither the Engineer, Selling Agent nor Managing Agent have any financial interest in the Property, in the Sponsor or in any other party or entity interested in this transaction, except that they have been paid a fee for professional services rendered and to be rendered and may be entitled to additional fees for continuing services.

W. REPORTS TO UNIT OWNERS

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

(a) The financial statement of the Condominium prepared by a certified public accountant within 120 days of the close of the Condominium's fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;

(b) A prior notice of the annual Unit Owner's meeting;

(c) A copy of the proposed annual budget, if any, of the Condominium within ten (10) days prior to the date set for adoption thereof by the Board of Managers. While the Sponsor is in control of the Board of Managers, the annual budget shall be certified as to its adequacy by an expert experienced in the management of condominium, cooperative and/or rental properties.

X. DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection and copying at a reasonable charge determined by the Sponsor, by prospective purchasers and Unit Owners, at the office of Sponsor during normal business hours and shall remain available for such inspection for a period of six (6) years from the date of the First Unit Closing. The Sponsor shall, at the time of the First Unit Closing, deliver to the Board of Managers a copy of all documents filed with the appropriate recording office.

Y. GENERAL

1. There are no lawsuits, administrative or other proceedings pending, the outcome of which may materially affect this offering, the Property, the Condominium, the operation of the Condominium or Sponsor's capacity to perform its obligations under the Plan, except claims covered by insurance.

2. There are no contractual undertakings or obligations of the Sponsor or other persons, or bonds or other securities posted to insure payment of any obligation or undertaking, which would affect the ownership of Units by Purchasers, except (i) such building loan mortgage as the Sponsor has obtained and/or may obtain, from which each Unit will be released prior to or concurrently with the closing of title and (ii) the easements, agreements and restrictive covenants referred to in this Plan.

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

4. When in this Plan reference is made to any one gender, masculine, feminine or neuter, such reference includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

5. The Property has not been the subject of a prior public offering. An application to test the market was filed with the Department of Law. No money has been accepted from any prospective Purchaser pursuant to the provisions of such application.

6. This Plan contains a fair summary of the material provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents. The Plan does not knowingly omit any material fact or contain any untrue statement of any material fact. In accordance with Section 352-e(9) of the General Business Law, copies of this Plan, the Exhibits filed with the Department of Law pursuant to its regulations and other documents referred to herein shall be available at the office of the Sponsor, for inspection by prospective Purchasers and by any person who shall have purchased a Unit offered by this Plan or who shall have participated in the offering thereof, and shall remain available for such inspection for a period of six (6) years from the date of acceptance of the Plan.

7. No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally.

Z. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor represents that, to the best of its knowledge, the Description of Property and Specifications hereinafter set forth in Part II of the Plan, which Sponsor hereby adopts, accurately summarizes the general nature of the systems, materials,

equipment, appliances and fixtures to be contained in the Building on completion of construction. However, Sponsor reserves the right to substitute in place thereof, without prior notice or amendment to the Plan, systems, materials, equipment, appliances and fixtures of substantially equal or better quality. Sponsor further reserves the right to make all decisions relative to construction methods, practices and designs. In addition, Sponsor will, but the First Unit Closing or within a reasonable period thereafter, cure or cause to be cured all violations of record against the Property as set forth in the Plan.

As set forth in the Description of Property and Specifications, no lead-based paint has been encountered at this time and there are no violations filed or reports in the Sponsor's possession regarding the present of lead-based paint. The Sponsor shall comply with applicable laws and governmental regulations applicable to lead-based paint.

The Sponsor represents that it has no knowledge of any material defect or need for major repairs to the property, except as may be set forth in the Description of Property and Building Condition hereinafter set forth in Part II of the Plan.

May 9, 2005

331 e 8 Associates, LLC
Sponsor

OFFERING PLAN FOR CONDOMINIUM OWNERSHIP

THE 331 EAST 8TH STREET CONDOMINIUM
331 East 8th Street
New York, New York

PART II

Document No. 1

DESCRIPTION OF PROPERTY SPECIFICATIONS AND BUILDING CONDITIONS

ARCHITECT'S REPORT and ADDENDUM TO ARCHITECT'S REPORT . . .	AR-1 through 21
FLOOR PLANS	FP-1 through 5

331 East 8th Street

DESCRIPTION OF BUILDING & PROPERTY
New Construction

page 1

Project: **331 East 8th Street**

Owner: **331 e 8 Associates LLC**
40 Worth Street
Mezzanine Level
New York, New York 10013
212.732.6434
Fax: 212.732.6435

Up Date: August 4, 2005

1. Location & Use of Property

Address	331 East 8th Street, New York, New York
Block Number	391
Lot Number	44
Zoning District	R7-2
Permissible Use	Residential and Community Facility. The property and proposed use will comply with all zoning and use requirements.

1A. Summary of Responses to NYS Attorney General's Office Reviewing Engineer; as per Memo Dated 8/1/05, delivered to Robert Castellano, Esq, Attorney for Sponsor

Item 1: Provide an updated report based on recent inspection	Included herewith, as noted in red, are changes to the original Architect's report based on a site visit and information delivered to this office by Sponsor.
Item 2: Include subsoil report and related information	See attached Exhibit "A" Subsoil report and Pile Installation Controlled Inspection; see changes to Section 5 of this report.
Item 3: Describe lintels, sills, method of bath heating and note if any lot line windows.	There is one galvanized steel lintel (Angle 4"X6"X1/2") at first floor above window unit and entry door. No other lintels are used on the exterior. Windows sills are aluminum, and are used at all window locations. Bathroom heaters are Embassy Fin Tube Hydronic units. Lot line windows occur on the East façade, facing the Green Thumbs Park, and window area does not exceed 10% of wall area per story, as per NYC DOB.
Item 4: Provide, make and model number of water heater and PTAC units	See section 15 of this report.
Item 5: Include roof and cellar plan in black book	See Exhibit "B". This will become part of black book.
Item 6: Note details of security system	Two-way video intercom in each unit with cameras in lobby and Elevator.
Item 7: Offering plan to include floor plans with feet and inches.	Previously submitted.
Item 8: Elaborate on allowances for elevator cab, electrical fixtures, and lobby fit out.	At time of initial submission of this report, the aforementioned items were not designed. Since that time, we have completed the design of all. The appropriate changes have been made to Sections 10, 12 and 20 of this report indicating the finishes selected by Sponsor.
Item 9: Indicate plans have been approved by the appropriate local agency; include for review and file.	Drawings have been approved by NYC DOB as evidenced by New Building Permit Number 103858210-01-NB issued on 12/13/04. A copy has previously been submitted. We are including another copy, please see Exhibit "C"

Item 10: Note as special risk that below grade rooms are not for sleeping or bedrooms.	See special risks section.

2. Status of Construction

Construction Class	Non-combustible construction under the NYC Building Code. Construction Class 1-C, Occupancy Group J-2. Project will comply with Local Law 58/87 and Title 26, the American with Disabilities Act, Handicap Accessibility Requirements throughout.
Status of Construction	Construction start of November 2004 after securing appropriate permits from the NYC Department of Buildings.
Certificate of Occupancy	Owner will obtain a Temporary Certificate of Occupancy at construction completion and a Final Certificate of Occupancy upon final sign-off by the NYC Department of Buildings.
Permit and Description	Construction permits will be secured after plans are approved by the NYC Department of Buildings.

3. Site and Site Coverage

Lot Size	The site measures 24'-9" x 93'-11" and is approximately 2,324.52 square feet.
Number and Use of Building	There is to be only one building built upon the site. The building is identified as 331 East 8th Street. The use of the building is residential.
Streets	The property is abutted by 8th Street. The property has a frontage of 24'-9" along East 8th Street. East 8th Street is fully improved and has existing pavement. The property is bound on its east and south by a Green Thumbs Park and an adjacent residential building on its west.
Sidewalk	The curb cut within the city right-of-way is in fair condition, and will be replaced with a new curb and new sidewalk conforming to the Builder's Pavement Plan filed with the NYC DOB. A new sidewalk, curb and a street tree shall be provided per the approved Builder's Pavement Plan.
Exterior Lighting	Street lighting will be provided primarily by the existing New York City light poles. Exterior light fixtures shall be provided at entrance, facades and roof terraces.

4. Utilities

Utility Points of Entry	All utility entry points are from East 8th Street.
Catch Basins and Storm and Sanitary Sewers	All city streets fronting the property are improved with existing storm or combined sewers. The building will be provided with a complete new 8" building storm and sanitary sewer system.
Water	Supply is from the City of New York. Water service charges will be the condominium owner's responsibility. Domestic and fire sprinkler water will be provided via a 6" combined water service.
Electricity	Electric service is by Con Edison with a meter for each unit and a house meter. Electric service is to be paid for by unit owner and shared according to the allocation of common interest.
Natural Gas	Gas to be supplied by Con Edison and metered separately for cooking and heating. Gas usage is part of monthly maintenance.
Telephone	The local telephone company will provide telephone service to the building. Each unit owner will be responsible for the cost of telephone and internet service. Each unit will be pre-wired for phone and data with Category-5e wiring.

Television	The local cable television provider will provide cable TV service to the building. Each unit owner will be responsible for the cost of cable TV service. Each unit shall be wired with coaxial cable conforming to the latest standards of Time Warner cable.

5. Sub-Soil Conditions

Investigation	Subsoil conditions as discovered by soil boring tests indicate a pile-supported foundation is required. The appropriate engineering has been performed and designed. Attached please find the soils test report and foundation recommendation prepared by American Standard Testing and Consulting. Also see the controlled inspection of installed piles signed by Howard Perko, P.E. indicating satisfactory installation of helical piers.
Investigation Report	Refer to boring log by American Sandard Testing and Consulting Laboratories, Inc.

6. Landscaping

Roof Terrace	Main roof terrace to be accessible by all unit Owners. Penthouse unit shall have private access to all terraces as indicated on drawings.
Balconies	No plantings provided.
Sidewalk	NYC standard 5' x 5' flags, no distinctive sidewalk. One New York City approved street tree will be provided. The existing curb cut will be replaced with NYC DOT approved steel faced curb conforming to elevations as indicated on drawings.

7. Building Height and Bulk

Building Height	Building height is 60'-0" above adjacent curb to top of main roof.
Cellar	One (1)
Number of Floors Above Grade	Six (6)
Equipment Rooms	In cellar and at fifth floor, north side.
Floor to Ceiling	9'-2" clear, maximum
Parapet Heights	3'-6" above finished roof
Residential Units	Five (5)
Penthouse	5th floor (included in count of five units as noted above)
Gross Floor Area	9,462 square feet (includes basement)
Net Apartment Area	6,854 square feet

8. Zoning Rooms

FLOOR	UNITS	ZONING ROOMS	TOTAL ZR
Cellar Floor	0	0	0
First Floor	1	4	4
Second Floor	1	4	4
Third Floor	1	4	4
Fourth Floor	1	4	4
Fifth Floor	1	3	3

Sixth Floor	0	3	3
Total	5	22	22

9. Construction and Structure

Foundation	Pile supported mat slab with reinforced concrete perimeter foundation walls.
Superstructure	Pre-cast concrete plank on reinforced concrete masonry unit bearing walls.
Exterior Walls	Front: Cavity wall system comprised of 4" thick veneer masonry, 2" air space, (1) layers of 5/8" non-cellulose gypsum sheathing, 6" metal stud framing with R-11 insulation and 5/8" gypsum wallboard on the inside. Rear: Cavity wall system comprised of acrylic stucco system, (2) layers of 5/8" non-cellulose gypsum sheathing, 6" metal stud framing with R-11 insulation and 5/8" gypsum wallboard on the inside. Side (above adjacent buildings): Acrylic stucco system, reinforced concrete masonry units, 2 ½" metal stud framing with insulation and 5/8" gypsum wallboard on the inside.
Parapets	At roof: steel picket rail, at least 42" above roof paver Sixth Floor Front: steel picket rail, at least 42" above roof paver Sixth Floor Rear: cmu with copper coping, at least 42" above roof paver Fifth floor Front and Rear: Cmu with copper coping.
Chimneys	All chimneys to be double wall steel Class "B" gas vents (NFPA 211-1988)
Local Law 10	Not applicable
Roofing System	Siplast torched-down roofing system on tapered insulation with a 20 year warranty with 2" thick pre-cast concrete pavers.
Access to Main Roof	Through public stairs.
Fire Escapes	Through rated internal egress path. None on building exterior.

10. Elevator

Type	Traction elevator.
Quantity	One (1)
Capacity	One (1) – 2,500 lbs, 7 stops
Speed	150 fpm
Door Finish	Stainless steel, lobby only, painted metal all others
Cab Allowance	Cab to be simulated Pear wood Formica finish with Stainless steel ceiling and Fritz-tile flooring, recessed lighting to be 5 MR-16 lamps with trim to match ceiling.

11. Entrance, Windows and Patio Doors

Entrance	Entrance to receive wood and glass entrance doors and sidelights that comply with NYC Building Code and is modified to accommodate louvers for mechanical systems.
Windows	All windows shall be aluminum clad wood core, thermal-break, fixed or casement windows with factory weather-stripping and double-pane glass with low "E" coating with tempered glass where required by NYC Building Code and comply with minimum requirements of the NYS Energy Code with continuous sealant with backer rod between windows and masonry. Wood stool and gypsum board head and jamb returns on interior. Windows are Pella Architect series.
Patio Doors	Patio doors at balconies and rear yard shall be aluminum clad wood core,

	thermal-break, sliding doors with factory weather-stripping and double-pane glass with low "E" coating. Provide tempered glass as required by NYC Building Code. Comply with minimum requirements of the NYS Energy Code. Provide continuous sealant with backer rod between windows and masonry. Provide aluminum threshold. Provide gypsum board head and jamb returns on interior. Doors are Pella Architect Series.

12. Interior Finishes

Interior walls	Gypsum board with seams and inside corners filled with one (1) layer of Durabond 45 or 90 joint compound, taped and coated with two (2) additional layers of Durabond 45 or 90 joint compound, complete with skim coat. All outside corners shall receive corner beads and three coats of joint compound. Provide J or L bead where gypsum board meets window frames. Fill gap between bead and frame with a paintable sealant. Provide non-cellulose backed water resistant gypsum board at wet walls and tub surrounds in bathrooms and kitchens. Provide non-cellulose backed water resistant gypsum board in laundry closets. All wall surfaces in residential units, except bathrooms, shall be painted with two coats of flat acrylic latex paint. All trim shall be painted with two coats of semi-gloss acrylic latex paint. Provide tub-to-ceiling marble tiles at tub and shower surrounds in bathrooms. Provide semi-gloss paint on all other bathroom walls and ceiling Provide wall covering at lobby and public corridor walls. Provide two (2) layers of 5/8" gypsum board with sound attenuation batts on each side of public corridor walls and unit demising walls. All other interior walls to receive two (2) layers on one side and one (1) layer on the other with sound attenuation batts.
Ceilings	Concrete ceilings in living rooms and bedrooms to receive GWB finish. Gypsum board ceilings in corridors, kitchens, bathrooms and closets to receive painted finish.
Floors	Entrance vestibule floor to be granite tile with a 6" base of the same material. Public corridor floor to receive granite tile and a 4" painted wood base. Residential unit floors to be 2 ½" oak strip flooring with stain and semi-gloss polyurethane finish and a 4" painted wood base, except in kitchens and bathrooms. Kitchen floors to be porcelain tile with a 4" painted wood base. Bathroom floors to be ceramic or porcelain tile with a 6" base of the same material.
Residential Lobby	To include handicap lift as manufactured by Mobility Lift, walls to be painted and feature Artwork to be determined, floors to be stone tile "Massa Gold" with 4" stone base.

13. Interior Doors and Frames

Unit Entrance Doors	Entrance door frames to be welded type with required fire and acoustic rating. Entrance doors to be 3'-0" x 8'-0" hollow metal with required fire and acoustic rating and hardware. Provide 5" marble or granite saddles.
Unit Interior Doors	Interior door frames to be painted hollow metal. Interior doors to be 3'-0" x 8'-0" x 1 ¾" solid core paint grade and wood veneer.
Closet Doors	Interior closet doors to be bi-fold or pocket solid core paint grade. Contractor to field measure all openings prior to ordering and installation.

14. Cabinets and Appliances

ITEM	MAKE	MODEL	DESCRIPTION	FINISH
Kitchen Cabinets	Wood Veneer	As manufactured by A2Z Deco.	Pear Wood	Natural Finish
Kitchen Counters			Pietra Cardosa	
Refrigerator	Sub-Zero	611SS	12.7 CF	Stainless steel
Range	Viking	VGSC306-4B (units 1-4) VGIC365-6B (unit 5 only)	Free standing / Slide-in, 4 burner	Stainless steel
Range Hood	Viking	VWH36-10 (unit 5 only)		Stainless steel
Microwave	Dacor Kitchen Aid	PCOR30 (units 1-4) KCMS185JSS (unit 5 only)	Above range Counter Top	Stainless steel Stainless Steel
Dishwasher	Bosch	SHX33A05UC		Stainless steel
Clothes Washer and Dryer	Frigidaire	FGX831AS	Stacking	White
Wine Cooler	Sub-Zero	315 W/S	Stacking	Stainless Steel

15. Plumbing Fixtures and Accessories

ITEM	MAKE	MODEL	DESCRIPTION	FINISH
Kitchen Sink	Elkay	ELU-2115-10-KS	Undermount	Stainless steel
Kitchen Faucet	DVC	LEO-970-SNI		Satin Nickel
Master Bathroom Lavatory	AF Supply	Bleeker	Above Mount	White
Master Bathroom Lavatory Faucet	AF Supply	GOT 152		Stainless Steel
Shower Faucet & Head	Danze	D500558 (D500058 at 1st Floor)		Chrome
Shower Door				Brushed chrome and glass
Master Bathroom Tub	Zuma	ZUM C-6632-TO		White
Master Bathroom Tub Faucet	Danze	Single Control Tub Faucet sim. to D500058		Chrome
Bathroom Lavatory	Kohler	K-2210 Caxton Lavatory, Undercounter		White
Lavatory Faucet	Danze	D305458		Chrome
Bath Tub	Kohler	Villager K-715		White
Bath Tub & Shower Faucet	Danze	D500058 Single Control Tub & Shower Faucet		Chrome
Bath Tub Enclosure				NONE
Toilet	Toto	MS854114		White
PTAC Units	Bedroom	McQuay International: PDNS 1012	12,100 BTUH - 1 ton	White
PTAC Units	Living Room	McQuay International:	15,000 BTUH -	White

		PDNS 1015	1.25 ton	
Central Water Heater	Mechanical Room	Slant/Fin: WH-80	80 gallons	
Central Boiler	Mechanical Room	Slant/Fin: SENTINEL SE-245	245 MBH AGA input	

16. Auxiliary Facilities

Roof Terrace	A roof terrace on the Roof will be accessible by sixth floor tenant.
Refuse Storage	Trash and recycling receptacles will be available in the cellar. Pick-up schedule will be determined by NYC Department of Sanitation.
Tenant Storage	A limited tenant storage area will be located in the cellar.

17. Plumbing, Drainage and Fire Protection

Water Supply	Each unit will be supplied water by the City of New York. All water supply pipes within the building shall be copper type L with soldered joints.
Water Pressure	As provided by New York City and supplemented by a water booster pump.
Fire Protection Systems	Sprinkler system shall be provided per applicable code requirements. All pipes shall be black steel standard schedule 40. Sprinkler heads shall be pendant or sidewall type as deemed appropriate. A central fire alarm system as required by New York City Fire Code.
Hot Water Service	A central gas-fired hot water heater system with storage tank located in the boiler/mechanical room will be provided for domestic hot water service for all the units designed as indirect hot water system.
Sanitary and Storm Drainage	All sanitary and storm sewage will outlet into a building plumbed system approved by the NYC Department of Environmental Protection and the NYC Department of Buildings. All sanitary pipes shall be cast iron with mechanical and/or no-hub joints. The storm water collected on the roofs will be routed to a central system via a plumbed building piping system.

18. Heating and Cooling

Method	Residential heating and cooling will be provided by packaged terminal air-conditioning (PTAC) units, supplied with hot water coils. The units will be located at the perimeter of each room. Lobby will be provided with heat only.
Controls	Each unit will have individual thermostatic valve controls, manual or automatic, to control heating and cooling. A central control system will be provided for common areas.
Fuel	Natural gas supplied by Con Edison.
Water Heater	The storage capacity of the water heater shall be in accordance with the requirements of the New York State Energy Code and the New York City Building Code. See schedule as amended in Section 15
Boiler Plant	Comprised of a modular boiler system in a roof-top boiler room. Includes all auxiliary equipment, such as, pumps, expansion tanks, water treatment, insulation and controls. The heating capacity of the boiler shall be in accordance with the requirements of the New York State Energy Code and the New York City Building Code. See schedule as amended in Section 15. Provide boiler flue, Van Packer or approved equal.

This section intentionally left blank.				

19. Ventilation

Bathrooms	Mechanical exhaust system with sheet metal risers.
Kitchen	Mechanical exhaust system with sheet metal risers, connected to a kitchen range hood fan.
Common Areas	Separate exhaust systems for lobby and corridors.
Selected Common Areas	Gas meter room and trash room shall have exhaust risers.

20. Electric System

Main Service	Incoming service shall be 120/208 volt, 3 phase, 4 wire, 1,600 amp.
Service to Units	All electrical work will comply with the NYC Electrical Code. All units will each have a 100 amp service for 208 volts. All services will be single phase.
Circuits within Units	Each unit shall have at least five (5) appliance circuits, four (4) lighting circuits and an individual air conditioning circuit in each room bedroom and living room. All circuits shall be provided with circuit breakers. Provide GFI receptacles in kitchen and bathrooms. All electrical work will comply with the NYC Electrical Code.
Fixture Allowance	Recessed lighting to be provided in common halls, as well as individual unit halls and kitchens. Under counter lighting, as well as in cabinet lighting, will be installed in all kitchens. Bathrooms to receive wall mounted lighting, as well as lighting in shower compartments, and combination lights and fans. Terraces to receive wall mounted exterior lighting. Roof to receive exterior wall mounted lighting. Provide Decora switches and receptacles throughout.
Gate Signal/Communication System	Video communication and door release system shall be installed from the lobby front door to each unit via phone lines.
Common Area Lighting	A lighting circuit shall be provided and separately metered for lighting exterior and interior common areas.
Smoke Detectors	Wired 110 volt smoke detectors shall be installed in each unit and connected to fire alarm system as well as hard wired carbon monoxide detectors.
Lightning Protection	Lightning protection system per New York City code.
Security System	Two way video intercom in each unit with cameras in lobby and elevator.
Telecommunications System	Electrical contractor to provide empty conduits for all risers. Pre-wire telephone, data and cable TV from data/com closets to outlets for every room in each unit.

21. Metering

Gas Meters	Two gas meters will be supplied for heating and cooking uses, as these are charged differently by Consolidated Edison. Meter will be located in base building meter room.
Electric Meters	Separate meters for residential and common areas located in base building meter room. Provide Con Edison meters for each individual unit.
Water Meter	One water meter will be supplied for residential and common areas. Water usage is part of monthly common charges. Meter located in base building meter room.

22. Television Reception

Antenna and Cable	Wiring for television reception shall be installed in every room of each unit. Master cable antenna/satellite will be provided.

23. Data/Communications

Residential Units	All units will be wired with cat 5e cabling in each room. System will consist of wiring, conduits, sleeves, cabinets, backboards, outlet boxes, etc.

24. Postal Services

Mailboxes	Mailboxes shall be at a convenient location adjacent to the residential lobby per US Postal regulations.

25. Parking

Parking	None

26. Additional Items, Violations, Permits and Inspections

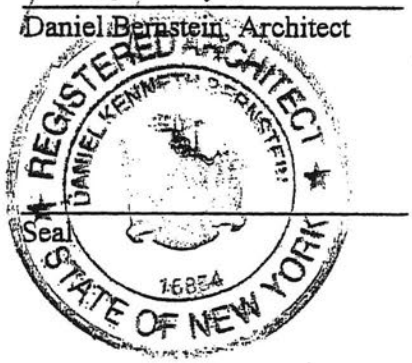
Violations	All violations to be dismissed before individual unit closings.
Permits	Sponsor is responsible for plan approval only. Contractors to apply for and obtain required work permits prior to starting work. All street improvements and obstruction (paving, curbs and sidewalks) must be approved by the NYC Department of Transportation.

27. Unit Information

Room Area	Unit 1: Living Room: 17'-4" x 15'-7" Kitchen: 7'-11" x 10'-0" Master Bedroom: 11'-3" x 15'-10" Bedroom: 11'-6" x 10'-11" Master Bathroom Bathroom Laundry Closet Rear yard access

	Unit 2, 3, 4 & 5: Living Room: 23'-2" x 15'-7" Kitchen: 11'-4" x 10'-0" Master Bedroom: 11'-3" x 15'-10" Bedroom: 11'-6" x 10'-11" Master Bathroom Bathroom Laundry Closet Balcony (none at Unit 2, 3 at Unit 5) Sixth Floor (part of unit 5) : Master Bedroom: 11'-3" x 15'-10" Den: 11'-6" x 10'-11" Master Bathroom Walk in closet Balcony
Property Line	

Daniel Bernstein, Architect



Seal

Sworn to before me

this 17 day of August, 2005

Notary Public

ISIDORE FRIED
Notary Public, State of New York
No.01FR6070575
Qualified in Kings County
Commission Expires March 4, 20 06

AMERICAN STANDARD
TESTING AND CONSULTING LABORATORIES, INC.
55 WATERMILL LANE, GREAT NECK, NY 11021
PHONE (516) 466-7105 FAX (516) 466 7147

331C8
FILE

PROJECT

331 East 8th Street, Manhattan, NY 10009

GEOTECHNICAL APPROACH AND BORING LOGS REPORT

REPORT TO

THE HELIX GROUP, INC

"EXHIBIT A"
TO
ARCH. Report

MAY 2004

AMERICAN STANDARD
TESTING AND CONSULTING LABORATORIES, INC.
55 WATERMILL LANE, GREAT NECK, NY 11021
PHONE (516) 466-7105 FAX (516) 466 7147

May 6, 2004

Mr. Bill Lozito
THE HELIX GROUP, INC.
40 Worth Street, Mezzarine Level
New York, NY 10013

Project: 331 East 8th Street, Manhattan, NY 10009
Re: Preliminary Foundation Recommendations

Dear Bill,

On Tuesday, April 27, 2004, Mr. Francisco S. Perez, Geo-technical engineer from American Standard Testing & Consulting Laboratories, Inc. visited the above referenced project to perform a Boring Evaluation.

Mr. Perez performed the evaluation based on the evaluation of the boring logs submitted by our laboratory. His report covers the subsurface exploration and preliminary foundation design recommendations for this project.

If you have any questions, please do not hesitate to contact me at (516) 466-7105

Sincerely,

STATE OF NEW YORK
BRUCE R. PUMO
NO. 064272
LICENSED PROFESSIONAL ENGINEER

Bruce Pumo PE
Senior Project Manager

AMERICAN STANDARD
TESTING AND CONSULTING LABORATORIES, INC.
55 WATERMILL LANE, GREAT NECK, NY 11021
PHONE (516) 466-7105 FAX (516) 466 7147

I.- SCOPE OF WORK

The scope of our services covered under this study was limited to the following items of work.

1. Conducting one (1) Standard Penetration Test (SPT) Boring at the approximate location shown in the attached sketch.

2. Analyzing the soil and ground water data with specific reference to foundation design for the proposal construction.

3. Preparing this engineering report giving recommendations for foundation design.

II.- SUBSURFACE EXPLORATION

The subsurface exploration consisted of performing one (1) SPT boring. This boring was extended to a depth of 37 feet below ground subsurface. Detailed description of the encountered subsurface conditions is indicated on the individual boring log, which is presented in Appendix A.

III.- SUBSURFACE CONDITION

The subsurface profile consists of 15 feet of fill material composed of silty sands, often containing brick and gravel, contaminated with sewer water. The fill material is underlain by 10 feet of black peat soil.

Natural sands or silty sands were encountered below the peat soil. The exploration terminated in this stratum. Ground water table at the time of the investigation was encountered at a depth of 8 feet below the ground surface. No long-term groundwater reading was taken; therefore, the exact location of the groundwater can't be determined.

AMERICAN STANDARD
TESTING AND CONSULTING LABORATORIES, INC.
55 WATERMILL LANE, GREAT NECK, NY 11021
PHONE (516) 466-7105 FAX (516) 466 7147

IV.- PRELIMINARY FOUNDATION RECOMENDATION

At this time, the loadings conditions are not available. According to New York City Building Code, foundation should be a minimum of 4 feet below the final ground surface.

Spread Footings

The existing fills underlain by peat soil encountered in the exploration are considered unsuitable to support the foundation loads of the proposed structure by means of shallow foundations. These soils, particularly the peat soil, are very compressible and can settle for a long time cracking the structure.

Pile Foundations

The individual column foundation can be constructed on pile foundation. We believe that Pre-cast concrete Piles or Auger Cast Piles would be the most appropriated types of foundation to support the proposed structure. The estimated axial capacity for which the piles could be designated are listed below:

Pile Type and Size	Capacity in Axial Compression
Pre-cast Pile 12"x12" section, Length of pile: 38 feet	**26 Ton**
Auger Cast Pile 16" Diameter, Length of pile: 38 feet	**34 Ton**

It should be noted that these recommendations are preliminary. A detail recommendation can be provided after the foundation type and loadings are determined.

It's strongly recommended performing at least one more SPT-Boring, 70 feet depth: This new boring will reveal Types of Soils below final elevation of the boring already performed. This information will be very important to confirm our foundation recommendation.

TYPE OF PILES

Steel Piles: Corrosion is a negative aspect of steel piles- Water table subject to alternate variations → NO GOOD.

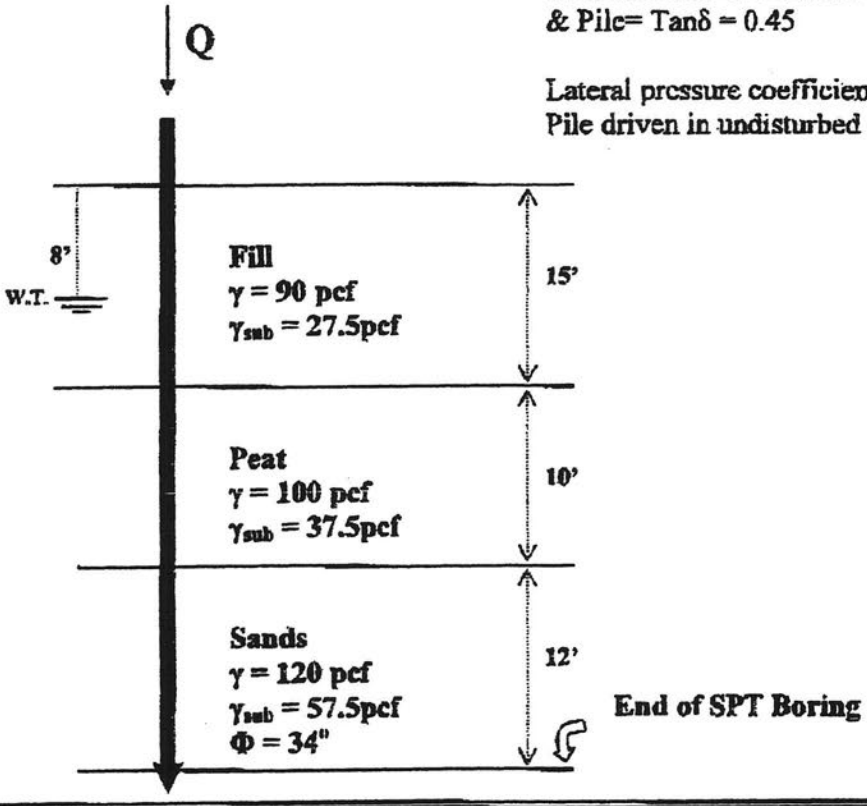
Concrete Piles: They are much more immune to the detrimental effects of corrosive elements rust steel piles

Precast Concrete Pile: < 75 feet length, < 20 inch ϕ
Pile Capacity ≤ 75 Tons

Cast in Place Concrete Pile: Auger Cast Piles
Usually provide excellent friction resistance, are vibration free

Coefficient of friction between Sands & Pile= Tanδ = 0.45

Lateral pressure coefficient = K = 1
Pile driven in undisturbed silty sands

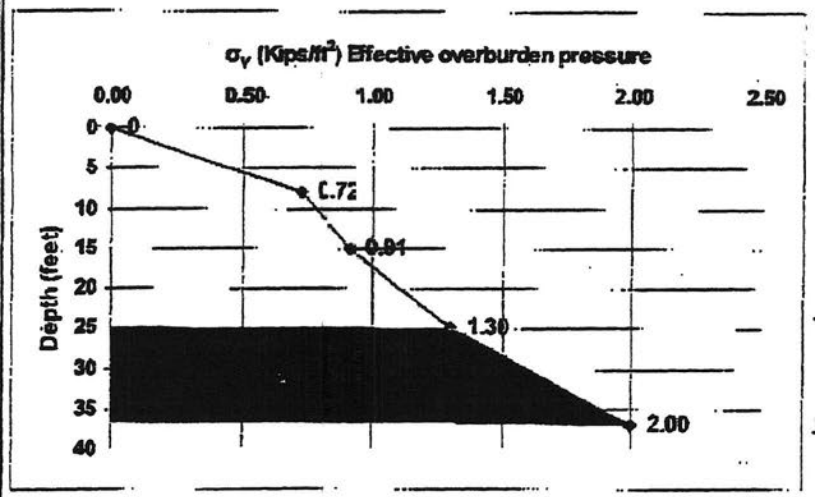


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PHONE (516) 466-7105 FAX (516) 466-7147

Size	Date	DWG No	REV
	04/07/2004		

THE HELIX GROUP
331 East 8th Street, Manhattan, NY 10009

1 of 1



Assumed critical depth $= 12x\frac{12"}{12}$

Precast Concrete pile: 12" x 12" section

Auger cast pile = $16"\phi$

Total skin pressure = (area of σ_v diagram)(K)(tan)(pile circumference)

$$= \left[\frac{(2+1.3)x12}{2}\right](1)(0.45)(4x1') = 35.6Kips(12"x12"\ pile$$
$$= 37.3Kips(16"\phi pile)$$

End bearing $= (\sigma_v)(N_q)(A_{tip}) \rightarrow \phi = 34°,\ N_q = 40$

$$\therefore \quad = \left(2\frac{Kips}{ft^2}\right)(40)(1x1) = 80Kips(12"x12"pile$$
$$\text{or} \quad = 111.7\ Kips\ (16"\phi\ pile)$$

$Q_{design} = Q_{total}/(FS=2)$

C_{total}:
- 35.6 + 80 = 115.6 Kips
- 37.5 + 111.7 = 149.0 Kips

- 26 ton (12"x 12" pile)
- 34 ton (16" ϕ pile)

AMERICAN STANDARD
TESTING & CONSULTING LABORATORIES, INC
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PHONE (516) 466-7805 FAX (516) 466-7147

Size	Date	DWG No	REV
	04/07/2004		

THE HELIX GROUP
331 East 8th Street, Manhattan, NY 10009

1 of 1

AMERICAN STANDARD
TESTING AND CONSULTING LABORATORIES, INC.
55 Water Mill Lane, Great Neck, New York 11021
(516) 466-7105 FAX (516) 466-7147

ROCK CORING AND SOIL SAMPLING RECORD

CLIENT: The Helix Group		PROJECT LOCATION: 331 East 8th Street, New York		
BORING # B-1	COUNTY: Manhattan	BLOCK: 391	LOT: 44	DATE START 04/27/04 FINISH: 04/27/04
RIG INFORMATION	YR: 1990	MAKE: Simco	MODEL: 2800	MOUNTING: TRUCK

BORING LOG		SPOON SAMPLE AND CORING DATA.				
DEPTH FROM/ TO	DESCRIPTION OF MATERIAL BASED ON SAMPLES RECOVERED AND OBSERVATION OF MATERIAL RETURNED BETWEEN SAMPLES	SAMPLE OR RUN #	DEPTH FROM/TO	REC. IN SOIL OR ROCK	BLOWS / 0.5' IN SOIL % R.Q.D. IN ROCK	REMARKS
0.0'/ 2.0'	Fill, light gray ground mortar, little red bricks, traces of gravel, moist. (Fill) 11-65	S-1	0.0'/ 2.0'	18"	4-7-3-4	
5.0'/ 7.0'	Fill, brown to medium SANDS, silty SANDS, traces of mica, wet. Loose. (SM) 7-65	S-2	5.0'/ 7.0'	18"	3-3-2-1	
10.0'/ 12.0'	Fill, brown fine to medium SANDS, silty SANDS, traces of gravel and red bricks, contaminated with sewer water, wet. (Fill) 11-65	S-3	10.0'/ 12.0'	18"	10-3-3-2	Water table was found at 8 feet deep
15.0'/ 17.0'	Dark grey silty clay, traces of mica, and black peat material, moist. (CL-ML)/ pt 11-65	S-4	15.0'/ 17.0'	18"	2-2-3-5	
20.0'/ 22.0'	Black peat material, moist. (pt) 11-65	S-5	20.0'/ 22.0'	18"	5-6-7-7	
25.0'/ 27.0'	Light gray very fine SANDS, silty SANDS, wet. Medium. (SM) 7-65	S-6	25.0'/ 27.0'	18"	9-8-10-12	
30.0'/ 32.0'	Light gray very fine SANDS, silty SANDS, wet. Medium. (SM) 7-65	S-7	30.0'/ 32.0'	18"	8-12-10-9	
35.0'/ 37.0'	Light gray very fine SANDS, silty SANDS, wet. Medium. (SM) 7-65	S-8	35.0'/ 37.0'	18"	12-14-10-13	

GROUND WATER DATE			EQUIPMENT LEFT IN BORING			
DEPTH	HOUR	DATE	SIZE	TYPE	AMOUNT	REASON
8.0 feet					NONE	

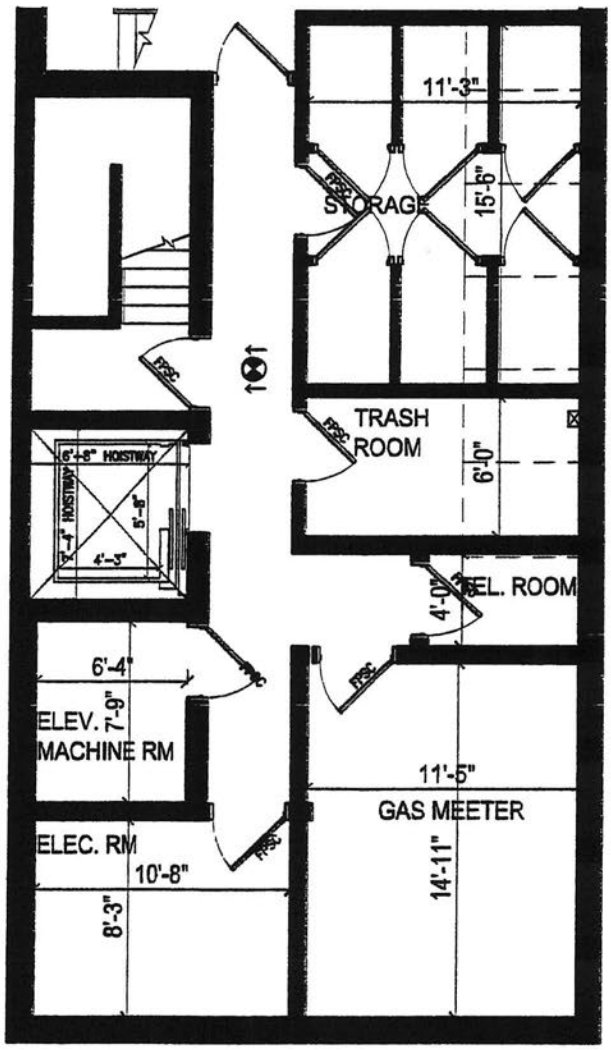
HAMMER DROP	30	INCH
ROLLER BIT SIZE		INCH
SPOON HAMMER	140	LBS
SPOON SIZE	2	INCH
AUGER SIZE	4 1/4	INCH
CORE BIT SIZE		INCH

STATE OF NEW YORK — BRUCE R. PUMO — LICENSED PROFESSIONAL ENGINEER — NO. 064272

DRILLER	MADE PEREZ
HELPER	RICKY LAW

331 EAST 8TH STREET

NEW YORK, NEW YORK



CELLAR

FLOOR NUMBER 0 (CELLAR)

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NOMINAL CONSTRUCTION VARIANCE AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL, SUBRACT CUTOUTS.

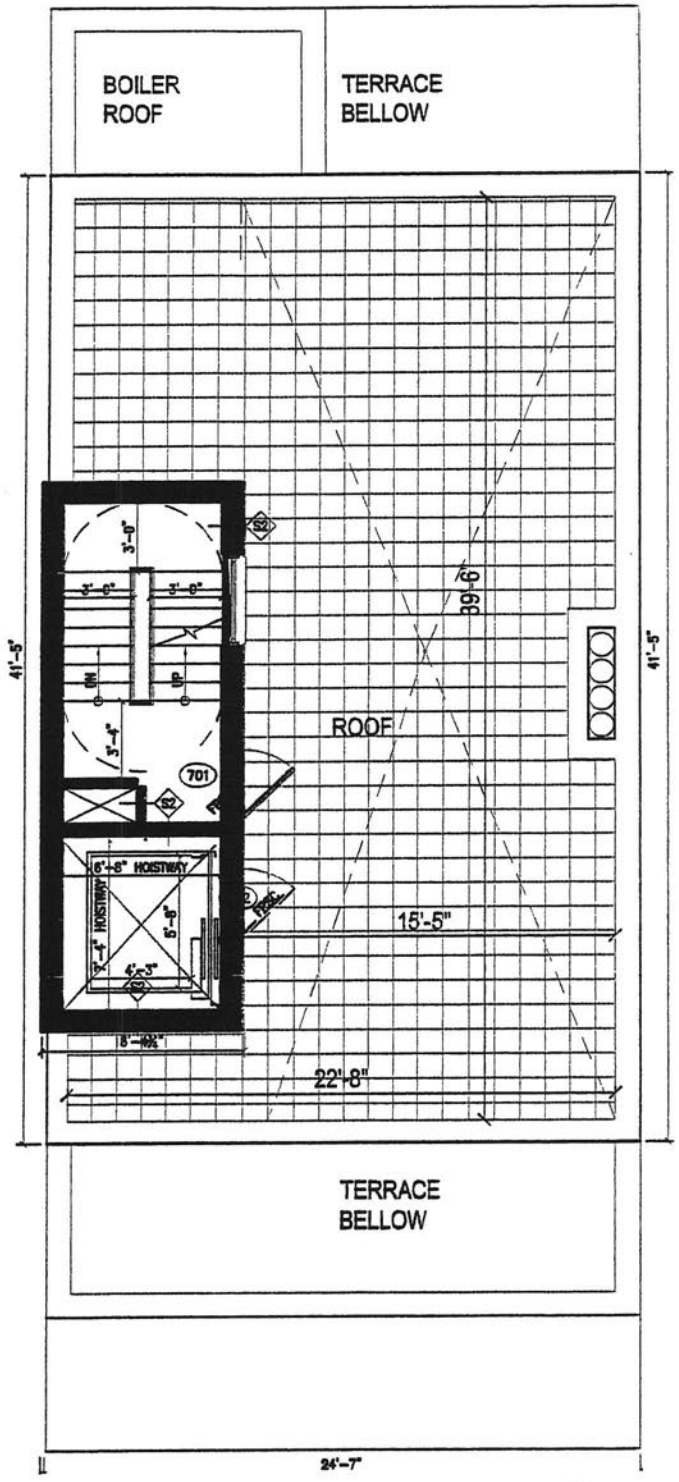
WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS IN ACCORDANCE WITH THE OFFERING PLAN.





331 EAST 8TH STREET

NEW YORK, NEW YORK



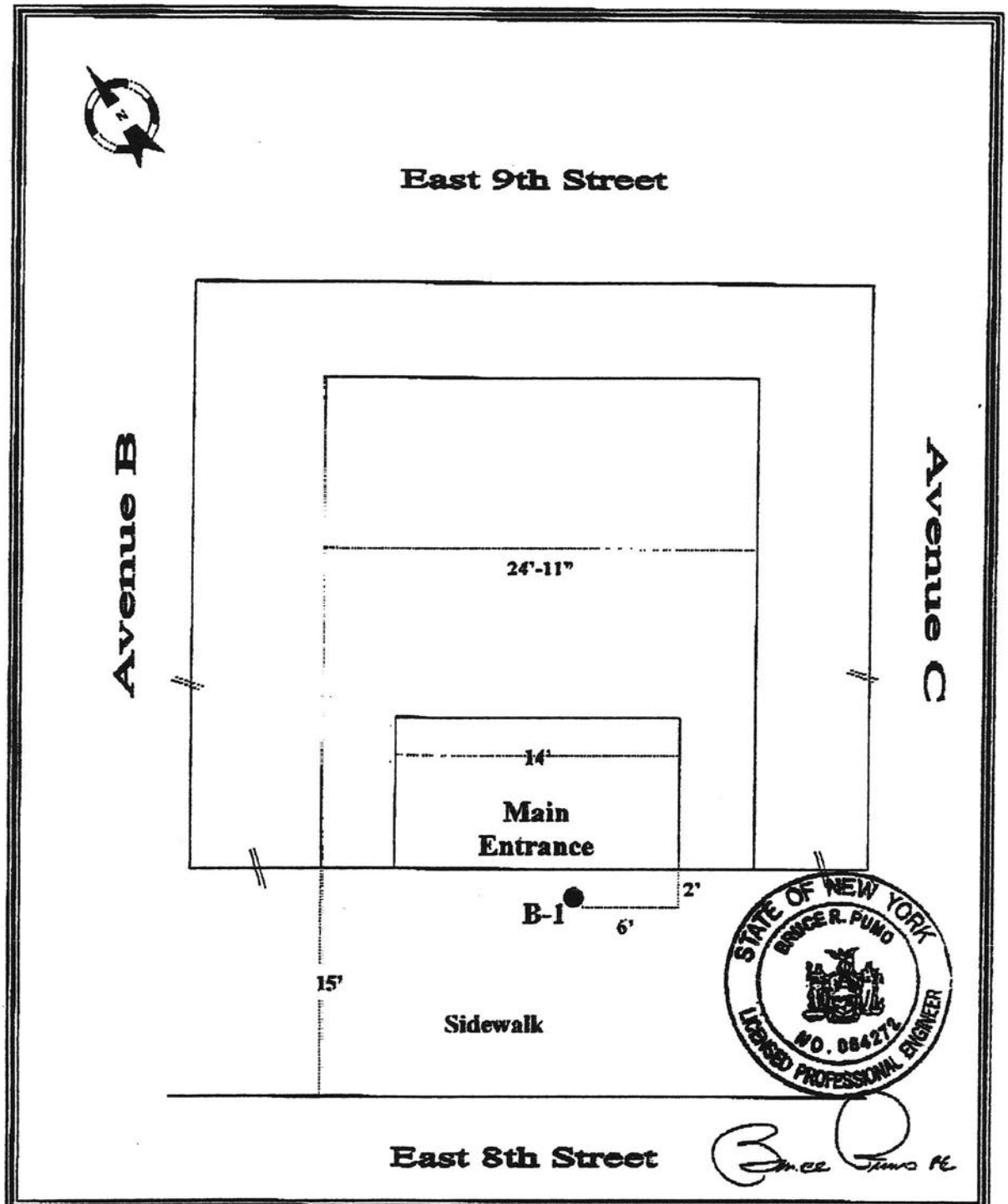
ROOF

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NOMINAL CONSTRUCTION VARIANCE AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL, SUBRACT CUTOUTS.

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FLOOR NUMBER 7 (ROOF)

0 1 2 3 5 10 15

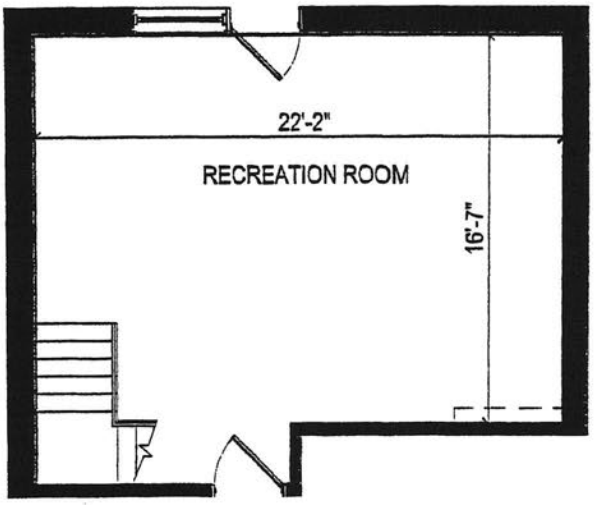


AMERICAN STANDARD TESTING & CONSULTING LABORATORIES, INC 55 WATER MILL LANE, GREAT NECK, NY 11021 PHONE (516) 466-7015 FAX (516) 466-7147 Size | Date 04/27/2004 | DWG No | REV	THE HELIX GROUP 331 East 8th Street, Manhattan, NY 10009	1 of 1

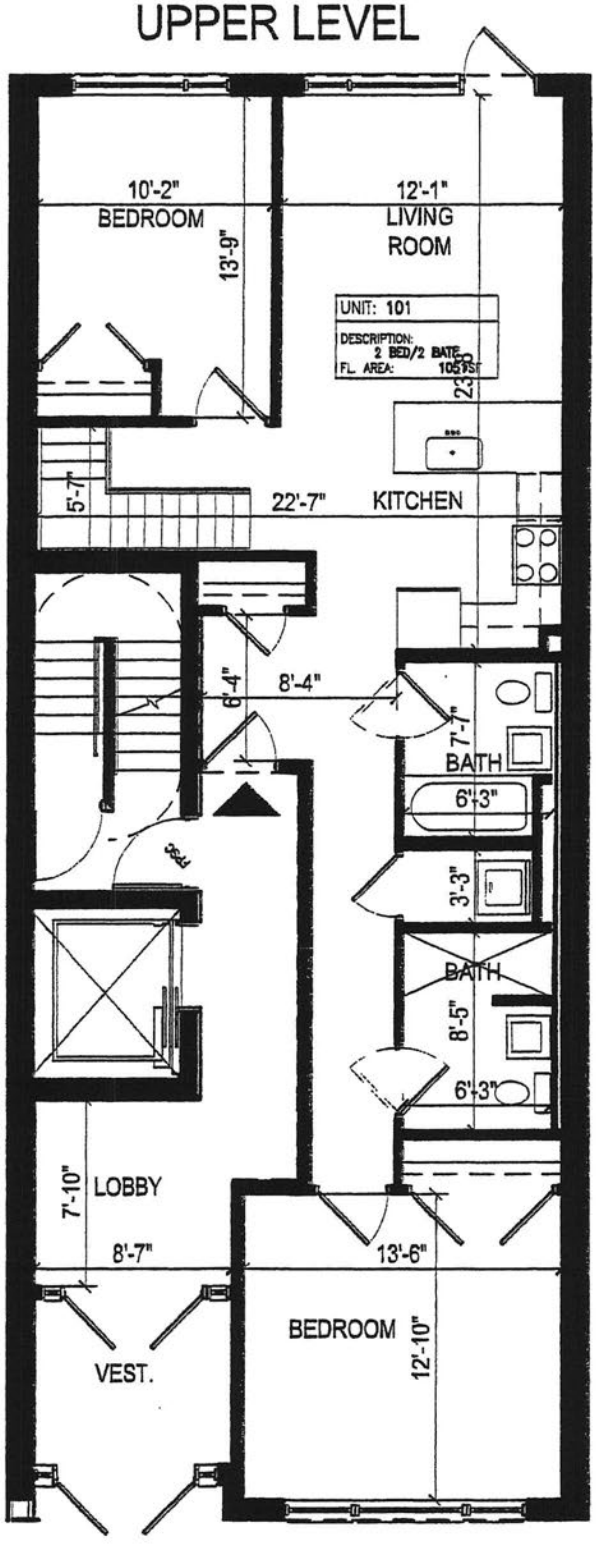
331 EAST 8TH STREET

NEW YORK, NEW YORK

LOWER LEVEL



UPPER LEVEL



UNIT 101
2 BEDROOM
2 BATH

FLOOR NUMBER
1

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331 EAST 8TH STREET

NEW YORK, NEW YORK

UNIT 201
2 BEDROOM
2 BATH

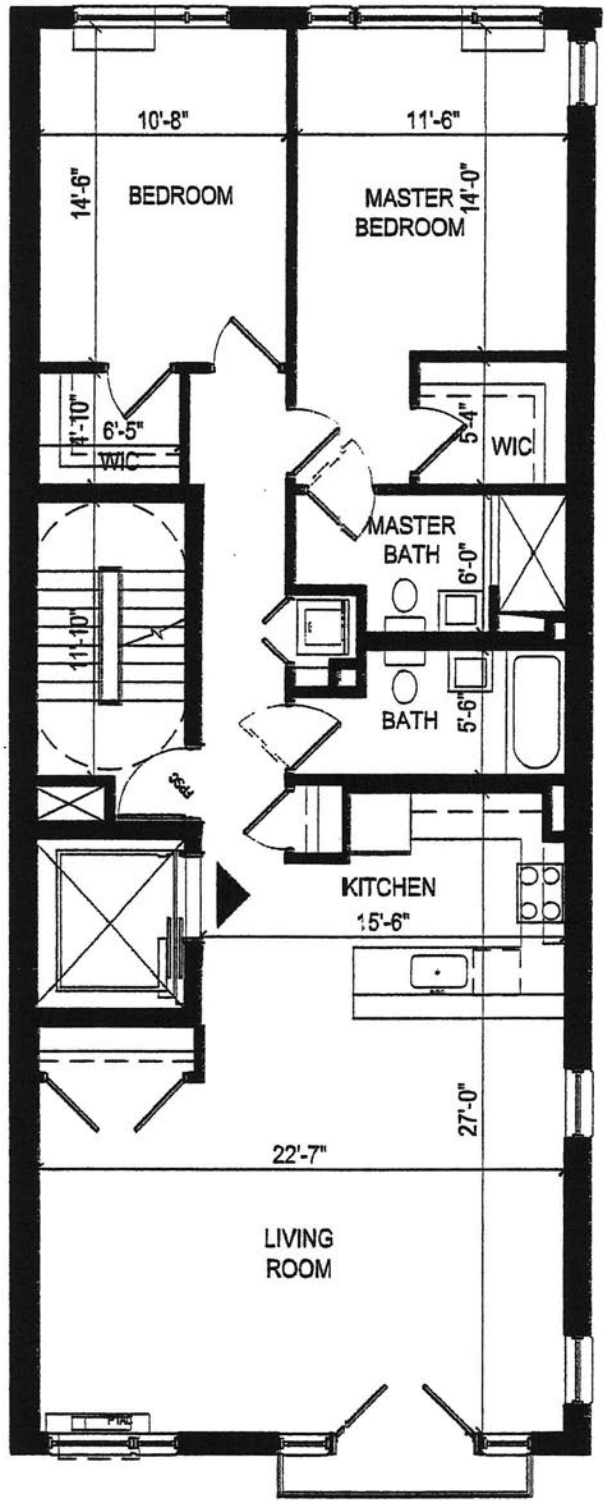
FLOOR NUMBER
2

UNIT 301
2 BEDROOM
2 BATH

FLOOR NUMBER
3

UNIT 401
2 BEDROOM
2 BATH

FLOOR NUMBER
4



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NOMINAL CONSTRUCTION VARIANCE AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL, SUBRACT CUTOUTS.

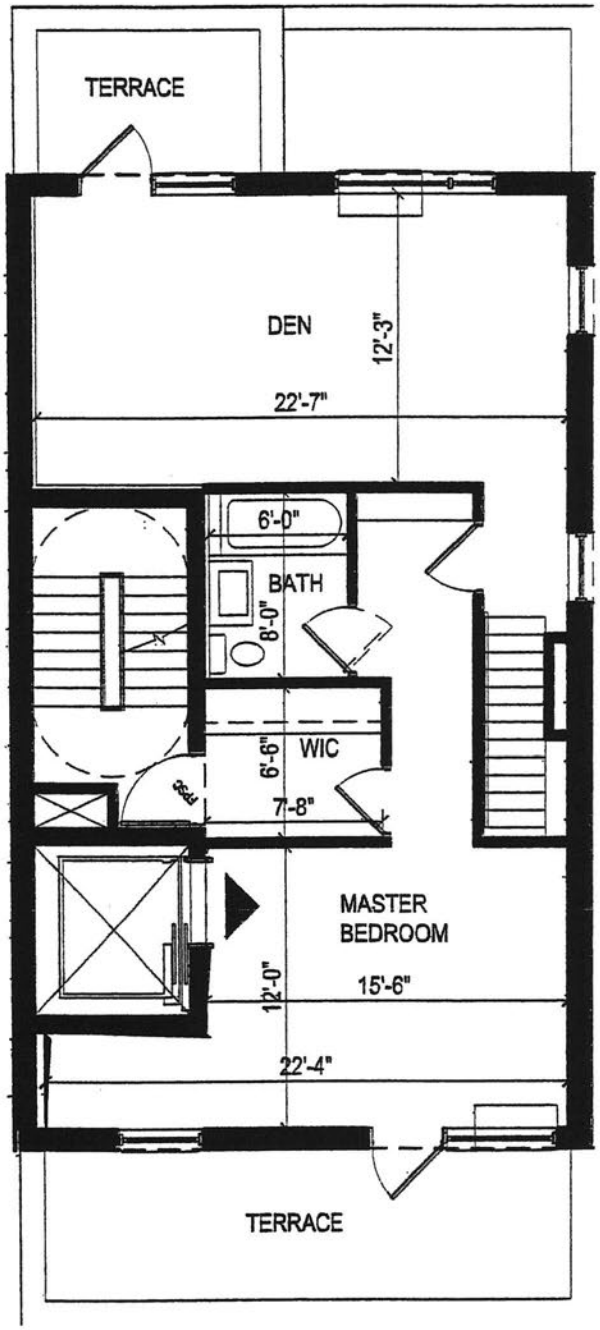
WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS IN ACCORDANCE WITH THE OFFERING PLAN.

0 1 2 3 5 10 15

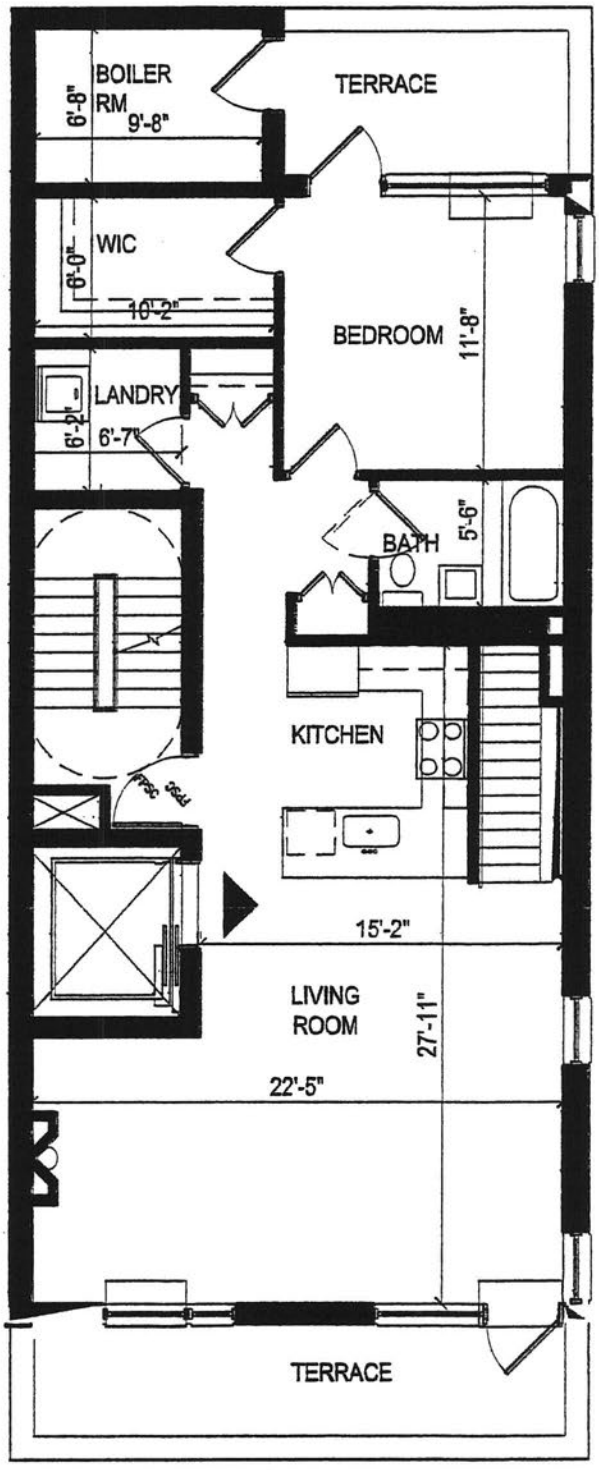
331 EAST 8TH STREET

NEW YORK, NEW YORK

UPPER LEVEL



LOWER LEVEL



UNIT 501
2 BEDROOM
2 BATH

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NOMINAL CONSTRUCTION VARIANCE AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL, SUBRACT CUTOUTS.

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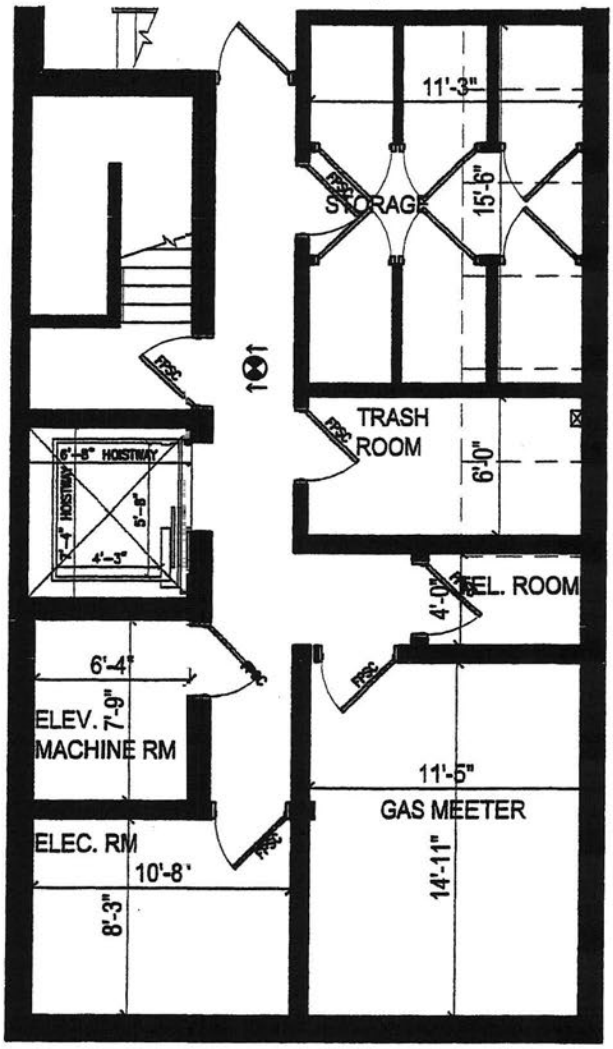
FLOOR NUMBERS 5 & 6

INCLUDING UPPER LEVEL

0 1 2 3 5 10 15

331 EAST 8TH STREET

NEW YORK, NEW YORK



CELLAR

FLOOR NUMBER 0 (CELLAR)

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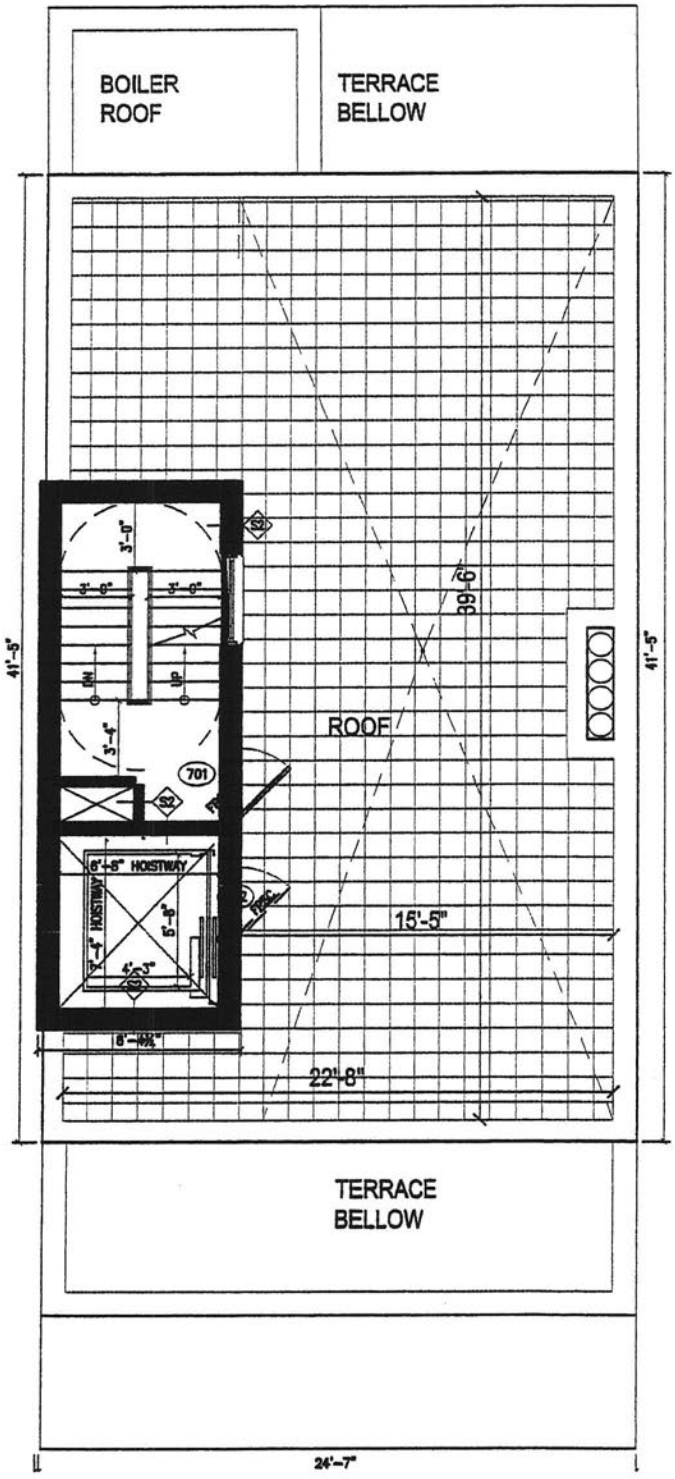
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331 EAST 8TH STREET

NEW YORK, NEW YORK



ROOF

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WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORSEEN CONDITIONS IN ACCORDANCE WITH THE OFFERING PLAN.

FLOOR NUMBER 7 (ROOF)

0 1 2 3 5 10 15

Document No. 2

FORM OF PURCHASE AGREEMENT

PURCHASE AGREEMENT

THE 331 EAST 8TH STREET CONDOMINIUM
331 East 8th Street
New York, New York

Dated as of:_____

Purchaser's Name:_____

Address:_____

Purchaser's Social Security Number:_____

Telephone No.:_____

Residential Unit No.:_____

Residential Unit Common Interest:_____

Closing Date:_____

Purchase Price: $_____

Less Down Payment: ($_____)
(10% of Purchase Price)

Balance Due at Closing: $_____

1. *Receipt of Documents.*

(a) I represent that I have received and read a copy of the Offering Plan for The 331 East 8th Street Condominium (the "Condominium") and any and all filed amendments thereto (the "Plan") at least three (3) days prior to signing this Agreement.

(b) I represent that I have received a copy of the Offering Plan for The 331 East 8th Street Condominium (the "Condominium") and any and all filed amendments thereto (the "Plan"). You agree that I may cancel this Agreement by delivering written notice to You or my desire to cancel this Agreement within seven (7) days of the date hereof and You will promptly return to Me my Down Payment without interest.

2. *My Agreement to Purchase.*

2.1 As Purchaser, I agree to purchase from You the Condominium Unit in The 331 East 8th Street Condominium identified on page 1 of this Agreement (the "Unit"), together with the undivided interest in the Common Elements of the Condominium appurtenant to the Unit, also as shown on page 1 of this Agreement, upon the terms set forth herein, for the Purchase Price shown on page 1 of this Agreement.

2.2 I am delivering to You now a fully executed counterpart of this Agreement together with my check for the Down Payment. When You sign this Agreement, You acknowledge receiving this check although You will not then have cashed it. If the Down Payment check is not collectible for any reason, this Agreement shall be void. When You give me the Deed for my Unit, I will give You or anyone You designate my certified check or official bank check for the Balance Due at Closing, drawn on a New York City bank which is a member of the New York Clearing House Association. **I UNDERSTAND THAT YOU SHALL NOT BE REQUIRED TO ACCEPT ANY CHECK WHICH DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS AND SHOULD I TENDER ONE OR MORE CHECKS WHICH DO NOT COMPLY WITH THE FOREGOING REQUIREMENTS I WILL NOT HAVE COMPLIED WITH MY OBLIGATIONS AND I WILL BE IN DEFAULT HEREUNDER.**

2.3 I understand that this Agreement will not bind You and will have no legal effect until You have signed a copy of this Agreement and delivered it to me. I further understand that You shall have no obligation whatsoever to sign this Agreement, provided, however, that if You do not sign and return a counterpart of this Agreement within sixty (60) days of the date hereof, You shall return my Down Payment.

2.4 I understand that **TIME IS OF THE ESSENCE** in my fulfilling all of my obligations set forth in this Agreement. "Time is of the essence" means that if I (a) fail to make any payment required hereunder, or (b) fail to perform any of my other obligations hereunder, or (c) am or become an occupant of the Unit and fail to pay any use or occupancy charge or otherwise to comply with my use or occupancy obligations, then, in any of such events, You may give me written notice of your intention to cancel this Purchase Agreement thirty (30) days hereafter. If I fail to cure such default by the expiration of said thirty (30) day period, You may, at your option, cancel this Purchase Agreement without any further notice to me, and retain the Down Payment and any interest accrued thereon as liquidated damages.

3. *Definitions in this Agreement.*

All of the capitalized terms used in this Agreement shall have the same meanings as they do in the Plan, unless the context requires otherwise. The term "I" shall be read "we" if more than one Person is a Purchaser, in which case the obligations of each Person signing this Agreement shall be joint and several. If there is more than one

Purchaser, each Purchaser hereby designates the others as his lawful attorney-in-fact to give and receive notices on behalf of the other in connection with this Agreement.

4. *The Closing Date.*

4.1 I agree to close title and deliver to You the Balance of the Purchase Price on (i) the Closing Date set forth on page 1 of this Agreement, or (ii) if no Closing Date is inserted, on the date set forth in a written notice from You setting forth the exact time and place at which the closing will be held. Such notice shall not state a Closing Date which is sooner than thirty (30) days from the date of such notice. In that written notice You will remind me of the amount of the Balance Due at Closing and You will inform me of the date on which Common Charges will first be due and payable. You may change the specified time and place of closing for any reason, provided that You give me written notice in advance of the scheduled Closing Date. If I have agreed to purchase more than one Residential Unit, You may, at your option, schedule a separate closing of title for each Unit. In such event, (a) it shall be assumed that the Down Payment is comprised of an equal percentage (10%) of the Purchase Price for each Unit, and (b) following the closing of title to the first Unit, the terms of this Agreement shall continue to apply to the other Unit only, except for those provisions which shall survive the closing of title generally. The Deed will be a type of deed known as a Bargain and Sale Deed with Covenant Against Grantor's acts, the form of which is shown as Document No. 4 in Part II of the Plan. Notwithstanding the Closing Date set forth on page 1 of this Agreement, if all of the events described in the Section of the Plan entitled "Closing of Title to Units" have not occurred, the Closing Date shall be deemed adjourned until all of such events have occurred and the notices therein provided have been given. When You deliver the Deed, I will sign the Power of Attorney in favor of the Board of Managers of the Condominium in the form contained in Document No. 3 of the Plan. I will also sign whatever other documents are reasonably necessary or customary in connection with the conveyance of a condominium unit, including but not limited to title affidavits, real property transfer tax forms, etc. and I will furnish to You at or before the closing, all information necessary for the completion of Form 1099-B of the Internal Revenue Service.

5. *Title.*

You will convey to me and I will accept title to my Unit without any liens or encumbrances other than those shown on Exhibit B annexed to the form of Deed set forth as Document No. 4 in Part II to the Plan; provided, however, that any lien or encumbrance that is not specified on Exhibit B shall not be an objection to title if (a) the proper instrument in form for recording to remove the objection is delivered with all recording and filing fees to the appropriate party at or prior to closing, or (b) if my title company or Heights Abstract, Ltd., as policy issuing agent for First American Title Company of New York will issue their policy of title insurance without exception or insure me that the objection, if a lien, will not be collected out of my Unit or, if not a lien, will not be enforced against my Unit.

6. *Closing Costs and Adjustments.*

6.1 When You give me the Deed to the Unit, I will pay the expenses shown in the Section of the Plan entitled "Closing Costs and Adjustments" that are my obligation and You will pay the expenses shown in such section that are your obligation. At closing, You and I will apportion between us the real estate taxes, Common Charges for the Unit, and other items specified in the "Closing Costs and Adjustments" Section of the Plan (collectively, "Adjustments").

6.2 In accordance with the Plan, I agree that if You, in your sole discretion, postpone the date of the closing of title for the Unit at my request, all Adjustments will be made as of the originally scheduled Closing Date and I shall pay to You interest on the Purchase Price from the originally scheduled date of closing through the date of actual closing at a rate equal to 0.03% per day. Time shall be of the essence with regard to my obligation to pay the balance of the Purchase Price and fulfill my other obligations under the Purchase Agreement by the rescheduled closing date. Accordingly, if I fail to pay the balance of the Purchase Price or fulfill any of my other obligations under the Purchase Agreement by the rescheduled closing date, I will be in default. Subject to the provisions of Section 2.4, You may terminate this Agreement at your option without any further action or notice. Upon such termination, You may retain my Down Payment, together with any interest earned thereon, as liquidated damages and You shall have the right to sell the Unit to any other person.

6.3 In the event I fail to tender to You at the closing the Balance Due at Closing or by tender of the required checks, You shall not be required to close title. In such event, I agree to pay to your attorneys an adjournment fee of $250.00 and further agree to pay to You interest on the Purchase Price at the rate of 0.03% per day from the original Closing Date to the actual date of closing.

6.4 In accordance with the Plan, I agree that if You obtain a refund for real estate taxes paid (or a credit for such taxes to be paid) on my Unit, You and I will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) between us based on the amount of time each of us owned the Unit during the period for which the refund or credit is obtained. The provisions of this paragraph shall survive Closing.

6.5 In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the New York Condominium Act or otherwise, it is specifically understood that such credit will inure to your benefit. Accordingly, at closing, if I obtain mortgage financing to purchase my Unit, I will pay the full amount (but not more than would otherwise be imposed) of the mortgage recording tax imposed on the entire amount of my mortgage loan. At the closing, I will assign my mortgage tax credit to which I am entitled to You and pay over to You the amount of such credit.

7. *My Down Payment To Be Held in Trust.*

All Down Payments made pursuant to this Purchase Agreement are subject to the requirements of Section 71-a(3) of the New York State Lien Law and Sections 352-e(2-b) and 352-h of the New York State General Business Law and the regulations of the Attorney General promulgated thereunder. Any Down Payment received from me hereunder will be delivered to Robert Castellano, Esq., your counsel, as escrow agent ("Escrow Agent") and shall be held in accordance with the terms of the Plan. My Down Payment will earn interest from the date of its deposit in the escrow account in accordance with the terms of the Plan. Any interest accrued on my Down Payment as of the date of closing will, at your option, either (i) be applied as a credit toward adjustments between us at the closing of title for the Unit, or (ii) be disbursed to me within thirty (30) days of the closing.

8. *Your Rights If I Fail to Keep My Promises and Agreements.*

You will have the right to keep my Down Payment and interest earned thereon, if any, if (a) I do not pay the Balance due at closing when due or (b) when You offer to give me the Deed to the Unit, I do not then sign all of the documents referred to herein or in the Plan that I am required to sign, or (c) I fail to keep my other promise contained in this Agreement. In the event I fail to close title as herein above provided, You shall be entitled to collect from me the reasonable costs of attorneys fees (including disbursements) which You have or thereafter incur as a result of my failure to close title as required by this Agreement. However, before You will have the right to keep my Down Payment, You must first send me a notice stating that You intend to cancel this Agreement. If I do not cure my default within thirty (30) days after your notice is sent, You can keep my Down Payment and interest earned thereon, if any, as liquidated damages. After that, neither You nor I will have any further obligations under this Agreement, this Agreement shall be considered cancelled without any further action by either of us, and You will have the right to sell the Unit to any other person.

9. *No Right to Assign this Agreement.*

I understand that I cannot give or sell my rights under this Agreement to anyone else unless I first obtain your written consent, which consent may be withheld in your sole discretion. If You give your written consent to an assignment by me of my rights under this Agreement, I will pay You a non-refundable administrative fee of $250.00 for expenses incurred in connection with such an assignment, which sum shall not be held in escrow or be applied towards the Balance Due at Closing.

10. *Notices.*

Any notice (including a letter, request, consent or other communication between us) that one of us wants to give to the other must be in writing and must be sent by registered or certified mail, postage prepaid, to me at the address shown on the first page of this Agreement or to You at c/o 331 e 8 Associates LLC c/o Helix Partners LLC,

40 Worth Street – Mezzanine Level, New York, New York 10013. I will send a copy of any notice I give You to your attorney, Robert Castellano, Esq., 11 West 42nd Street, Suite 900, New York, New York 10036, by registered or certified mail, postage prepaid. Either or us can specify a different address by written notice to the other. A notice shall be considered given on the date it is mailed, except that a notice of an address change shall be considered given when it is received, and any notice which either of us receives from the other's attorney shall be the same as a notice received directly from You or me.

11. *No Representations.*

I have not relied on any statements, whether written or oral, made by You or any other person except those that are contained in this Agreement or in the Plan. I understand that any advertising material, presentations or scale models shall not constitute representations made by You. I understand that subject to the terms set forth in the Plan, You may change certain of the terms of your offer by filing an amendment to the Plan with the Department of Law, a copy of which will be given to me. Accordingly, the state of facts shown in any previously printed advertising or other promotional material or scale models may not reflect the current terms of your offer. I agree that I shall not be relieved of any of my obligations under this Agreement and that You will have no liability to me if there is a minor error or inaccuracy in the layout or dimensions of the Unit or the Common Elements of the Condominium as shown on the Floor Plans certified by Sponsor's Consulting Architect, and to be filed in the Office of the City Register, New York County.

12. *Recording of Deed and Power of Attorney.*

I will deliver the Deed to my Unit and the Power of Attorney to the title company representative issuing title insurance to me (or to my lender, if any), or to You (if I do not obtain title insurance), so that the Deed can be recorded. I agree to pay all recording charges for the Deed and Power of Attorney.

13. *Agreement Subject to Plan Becoming Effective.*

The performance of your obligations pursuant to this Agreement is contingent upon the Plan being declared effective. You have the right to withdraw or abandon the Plan under certain conditions and at certain times, as set forth in the Plan. If I am not in default under this Agreement beyond any applicable grace period, and title to the Unit does not close within the time set forth in the Plan for any reason other than my default, this Agreement shall be deemed cancelled, and I will receive a refund of all monies paid to You by me under this Agreement together with the interest earned on those monies, if any, not later than thirty (30) days after such cancellation.

14. *Construction.*

14.1 The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the Plan and Specifications (as defined in the Plan), subject to the right of Sponsor to amend the Plan and the Plans and Specifications in order to substitute materials, equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a final Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

14.2 The construction of the Building and the Unit and the correction of any defects in construction to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct certain variations from the Plan and Plans and Specifications as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

14.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Closing of Title to Units" in Part I of the Plan. As a result, if all other prerequisites not involving the construction of the Unit are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow) once a temporary or permanent Certificate of Occupancy is issued for the Unit (notwithstanding any construction items noted on Purchaser's Inspection Statement hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligations under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building not affecting the Unit).

14.4 The actual date for the first closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in the Section of the Plan entitled "Closing of Title to Units." Purchaser acknowledges that construction may be delayed by late delivery of material or equipment, labor difficulties, unavailability of building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the units in the Building will be completed at varying times over a period that could extend well beyond the first closing. The order in which these units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the first closing occurs substantially later than the

projected date or the time to complete or to close title to the Unit is delayed or postponed by Sponsor.

14.5 You will not be responsible for:

(a) Paint touch ups, ceiling imperfections, television and radio reception, repairs of dented appliances, porcelain or formica chips and scratches in tubs, vanities or countertops or scratches in any wood floors; (b) any condition resulting from normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Property and/or building materials; (c) defects of an insubstantial nature, such as, without limitation: partial or total loss of any trees, shrubs, bushes or other landscape improvements; protruding dry wall fastenings; nail pops; ridging on gypsum board; lumber shrinkage; door or window sticking due to weather; door warpage, including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight; slight scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel or porcelain surfaces; bathroom finish grouting; adjustment of bi-fold doors; walls not square; electrical plates not straight; discoloration or shrinkage; slight separation between base and floors; (d) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the Property; (e) deviations in the level of ceilings, and imperfections in ceiling finishes; (f) imperfections in painting finishes; (g) deviations in the level of a floor; (h) alignment of bathroom finishes and variation in grouting thickness; (i) air infiltration and water infiltration from windows in accordance with the Architectural Aluminum Manufacturers Association Standard A-Z; (j) noise from normal plumbing, heating, ventilating and air conditioning operation; (k) normal floor noises and creaking; (l) carpet or floor discoloring or stretching; (m) variations in width, length, thickness, finish, or color range of wood flooring; (n) repair of chips, scratches, marks, breaks, dents, cracks or other defects in: exterior stone; windows; window glass, frames and hardware; insulation attached to the curtain wall; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures; lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, water closets; kitchen cabinets, backsplashes and countertops; vanity tops and cabinets; all tile or natural stone floors and walls; saddles; all appliances; woodwork, millwork and doors; mirrors and after the Unit Closing, paint touch-ups, repair of dented appliances, or replacement of light bulbs; (o) variations in tone or color of vanity tops or other natural stone surfaces; (p) leaching or color variation in color mortar and colored brick, and dimensional variations in brick joints, and mortar droppings on bricks; (q) ponding and/or controlled drainage on the roof surface; (r) cracks in pressure-treated lumber used or intended for use outside the Property; (s) cracks or discoloration in concrete used in cellar walls and paving; (t) discoloration to hardware and plumbing finishes; (u) stains, runs, lumps, shags or imperfections in weave in fabric panels; (v) scratched, dirty or cracked lenses in light fixtures; (w) terrace tiles not laid flat, or color variation in tiles or mortar, or stained tiles, or (x) any other imperfection or defect.

15. *Inspection of Unit.*

At least one (1) week (but not more than one month) prior to the Closing Date, the Selling Agent shall notify Purchaser that the Unit is ready for inspection. Upon receipt of such notice, Purchaser shall promptly arrange an appointment with a representative of Sponsor to inspect the Unit within the week prior to the Closing Date. Purchaser or his or her duly authorized agent shall attend such inspection and shall complete, date and sign an Inspection Statement and deliver same to the Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within the week prior to the Closing Date or so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor".

Any work set forth in the Inspection Statement may be completed by Sponsor in a reasonable period of time following the Closing and shall not be grounds for delaying the Closing. Purchaser will be required to provide Sponsor with reasonable access to the Unit subsequent to the Closing in order to complete punch-list work. Sponsor has no obligation under the Plan to deposit any monies in escrow at Closing as a result of any punch-list items.

16. *Fixtures, Appliances and Personal Property.*

Only those fixtures, appliances and items of personal property that are described in Document Number 1 in Part II of the Plan as being part of the Unit are included in the sale of the Unit pursuant to the provisions of this Agreement.

17. *Damage to the Unit.*

The risk of loss to the Unit by fire or other casualty until the earlier of closing of title or any possession of the Unit is assumed by You, but without any obligation or liability on your part to repair or restore the Unit. If You elect to repair or restore the Unit, this Agreement shall continue in full force and effect. I will not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and You will be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to You and if such proceeds are paid to me, I will promptly upon receipt thereof turn them over to You. The provisions of the preceding sentence shall survive the closing of title hereunder.

If (a) You notify me that You do not elect to repair or restore the Unit, or (b) if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed terminated. You shall thereupon return to me all sums I deposited hereunder,

together with interest earned thereon, if any, and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if I am then in default hereunder (beyond the applicable grace period, if any), You shall retain all such sums deposited by me hereunder as and for liquidated damages.

18. *This Agreement is Subject to Mortgages.*

No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. I understand that this Agreement is and shall be subject and subordinate to the lien of any mortgage, including, but not limited to, any construction or building loan mortgage now existing or subsequently made and any advances of money heretofore or hereafter made thereon and any payments or expenses already made or incurred or which hereafter may be made or incurred pursuant to the terms thereof, or incidental thereto, or to protect the security thereof to the full extent thereof, without my signing any documents in addition to this Agreement. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. You shall, at your option, either satisfy such mortgage(s) or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgage(s) on or prior to the Closing Date unless I voluntarily either assume such mortgage or consent to the continuation of the lien thereof. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not be (a) a reason for me to object to title or to be excused from completing payment of the Total Purchase Price or from performing all of my other obligations hereunder or (b) the basis of any claim against, or liability of, You, provided that any such mortgage or mortgages is or are subordinated to the Declaration, and the Unit is released from the lien of such mortgage or mortgages.

19. *Seller's Inability to Convey the Unit.*

If You are unable to deliver title to the Unit in accordance with the provisions of this Agreement or the Plan, You shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of the lesser of (i) $10,000 in the case of any Unit or $100,000 in the aggregate to cure such inability, and in such case, if You deliver to me written notice ("Title Inability Notice") of your refusal to cure such inability and if I am not in default hereunder, I shall have the option to (a) take title to the Unit subject to such inability without any abatement in, reduction of or credit against the Total Purchase Price, or any claim or action against You for damages or otherwise or (b) rescind and cancel this Agreement by written notice ("Termination Notice") to You not later than ten (10) days from my receipt of your Title Inability Notice. If I elect to cancel this Agreement, You shall, not later than thirty (30) days after receipt of my Termination Notice, return to me all sums deposited hereunder, including interest, if any, and upon the making of such payment, this Agreement shall be cancelled and neither You nor I shall have any further rights, obligations or liability to or against the other and You and I shall be released and discharged from all obligations and

liability under this Agreement and the Plan. I understand that my option to terminate this Agreement, may only be exercised by my written Termination Notice to You within ten days from your delivery to me of your title Inability Notice, and that if I fail to exercise my option to terminate by delivery of my Termination Notice to You within ten (10) days from your Title Inability Notice to me it shall be conclusively deemed that I elected above to acquire title subject to such inability with no reduction of any nature to the Total Purchase Price.

20. *Performance by Seller and Liability of Seller.*

My acceptance of the Deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of You, the Sponsor, to be performed pursuant to the provisions of this Agreement and Plan, except those (if any) herein or in the Plan expressly stated to survive delivery of the Deed.

21. *Broker.*

I represent to You that Douglas-Elliman is the only broker or sales agent with whom I have dealt in connection with this transaction. You agree to pay any commission earned by said broker pursuant to a separate agreement. I agree that should any claim be made against You for commissions by any broker, other than the foregoing named broker, on account of any acts of mine or my representatives. I will indemnify and hold You free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees and the cost of enforcing the indemnity. The provision of this paragraph shall survive the closing of title.

22. *Jury Waiver.*

I waive my right to trial by jury in any action, proceeding or counterclaim in any way connected with this Agreement or the Plan. With respect to any matter for which a jury trial cannot be waived, I agree not to assert any such claim as a counterclaim in, or move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

23. *Survival of Seller's Obligations.*

You will have no obligations under this Agreement or the Plan after You give me the Deed to the Unit, unless this Agreement or the Plan specifically gives You an obligation after that time.

24. *No Representations.*

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representation warranties, statements or estimates of any nature whatsoever, whether written or oral, made by

Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof.

25. *Captions.*

The captions in this Agreement are for convenience only and are not part of the meaning of this Agreement.

26. *Proceedings to Contest Assessed Value.*

I understand that You may bring proceedings in court or take other actions that You believe may result in a lowering of the assessed valuation of the Property. If these proceedings or actions are successful, the amount of taxes payable by each Unit Owner will be lessened. I agree that You may undertake such actions or proceedings on my behalf, although You have no obligation to start such proceedings or actions, or any obligation to continue such proceedings or actions once You have started them. If You do take such actions or proceedings, I will cooperate with You and will not take any such actions or proceedings myself while your are underway. If You are successful in obtaining a reduction in the amount of taxes or other assessments that I must pay, I agree to apportion the reduction between You and me, based on the proportion of time each of us owned the Unit during the period for which the reduction is granted, and I agree to apportion the fee for such actions or proceedings. I will pay my proportionate share of the fee to You or to the party You designate within thirty (30) days after You notify me of (i) the amount of the reduction that has been obtained; (ii) the amount of the reduction allocable to me; (iii) the amount of the fee for obtaining the reduction; (iv) the amount of the fee for obtaining the reduction allocable to me; and (v) the party to whom I should send my check for the amount of such fees allocable to me. The provisions of this paragraph shall survive the closing of title.

27. *Binding Effect of Declaration, By-Laws and Rules and Regulations.*

I, the Purchaser, hereby accept and approve the Plan, including the Declaration, By-Laws and Rules and Regulations contained therein, and agree to abide and be bound by the terms and conditions thereof. If there is any conflict between this Agreement and the Plan, You and I will abide by the terms of the Plan.

28. *Binding Effect.*

This Agreement will not be binding on You or me until a fully executed counterpart has been sent to me. If You do not accept this Agreement within thirty (30) days from the date hereof by sending me a fully executed counterpart of the Agreement, the Agreement will be deemed to have been rejected and cancelled, and You will return to me promptly the Down Payment I paid on executing this Agreement.

29. *Further Assurances.*

You and I each agree to execute, acknowledge and deliver to the other any documents or instruments and to take any other action, in addition to the documents or instruments specifically provided for by this Agreement, that either You or I may reasonably request in order to effectuate the provisions of this Agreement.

30. *Strict Compliance.*

Your failure to insist upon strict performance by me of any of the provisions of this Agreement is not a waiver of any of the provisions contained in this Agreement and You will have the right, notwithstanding any such failure, to insist upon my strict performance thereafter of any and all provisions of this Agreement.

31. *Governing Law.*

The provisions of this Agreement will be governed by and construed in accordance with the internal laws of the State of New York for agreements made in, and to be wholly performed therein, without regard to principles of conflicts of laws.

32. *Entire Agreement.*

This Agreement constitutes the entire agreement between You and me, and supercedes any and all prior understandings or agreements between us.

33. *Severability.*

If any provision of this Agreement or the Plan is invalid or unenforceable, the remainder of this Agreement or the Plan will not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise provided in this Agreement or the Plan, will be valid and enforced to the fullest extent permitted by law.

34. *Successors and Assigns.*

Subject to the provisions of Section 8 hereof, this Agreement will bind and inure to my benefit and the benefit of my heirs, legal representatives, successors and permitted assigns and will bind and inure to Your benefit and the benefit of your successors and assigns.

35. *No Oral Changes.*

This Agreement cannot be changed or terminated orally, only by a written agreement signed by You and me.

36. *Conflicts with the Plan.*

The terms and conditions of the Plan are incorporated in this Agreement as if set forth at length herein. Any conflicts between any provision of this Agreement and the Plan, shall be resolved in favor of the Plan.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase Agreement as of the date first set forth above.

PURCHASER:

_____

_____

SELLER:

331 e 8 ASSOCIATES LLC

By:_____

Offering Plan Received

_____, 2005

_____(PM)(AM)

_____

Purchaser(s) Initials

Document No. 3

FORM OF POWER OF ATTORNEY

Residential Unit Owner's Power of Attorney

The undersigned, the owner of Unit No._____ in the Building known as and by the street address of 331 East 8th Street, in the Borough of Manhattan, City and State of New York, as designated and described in that certain Declaration of Condominium establishing THE 331 EAST 8TH STREET CONDOMINIUM (the "Condominium") dated _____, 2005, and recorded in the Office of the City Register, New York County, on _____, 2005 in Reel_____ at Page ____, and as further described and identified on the Floor Plans prepared by Kutnicki Bernstein Architects, on file in the Real Property Assessment Department of the City of New York as Plan No. _____, does hereby irrevocably nominate, constitute and appoint the persons who from time to time shall constitute the Board of Managers of the Condominium and their successors in office, jointly, true and lawful attorneys in fact for the undersigned, coupled with an interest, with power of substitution, to:

1. Acquire in their own name, as members of the Board of Managers or in the name of its designee, corporate or otherwise

   (a) on behalf of all Unit Owners in accordance with their respective Common Interest, any Residential Unit (and the Common Interest appurtenant thereto) which is now or hereafter designated in the Condominium Declaration or by resolution, for the use of a resident superintendent or which shall be the subject of a foreclosure or other judicial sale of whose owner desires to abandon or surrender same in accordance with the By-Laws, or

   (b) on behalf of all Residential Unit Owners in accordance with their respective Common Interest, any Residential Unit (and the Common Interest appurtenant thereto) which owner desires to transfer or sell the same, the interest of such Unit Owner in any other Residential Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the interest of such Residential Unit Owner in all other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), and

2. Thereafter, convey, sell, lease, mortgage, vote or otherwise deal with any such Unit so acquired by them, or to sublease any such Unit so leased by them, on such terms and conditions as said attorneys-in-fact may 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

3. Execute, acknowledge and deliver (a) any declaration or other instrument which, subject to the terms, conditions and limitations of the Declaration and the By-Laws of the Condominium, the Board of Managers deems necessary, appropriate, or is required to be delivered pursuant to the Declaration or By-Laws or 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 Common Elements or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Common Elements which the Board of Managers deems necessary or appropriate; and

4. Create any easements or otherwise effect the provisions of the Offering Plan for the Condominium; and

5. Act as an agent of each Unit Owner to complain or apply to the Board of assessment review of the assessing agency by filing a single complaint on behalf of all Unit Owners pursuant to Sections 512 and 526 of the Real Property Tax Law as same may from time to time be amended (or any successor statute) and to commence and prosecute a Special Proceeding for the review of assessments of real property as an aggrieved person pursuant to Section 704 of the Real Property Tax Law as same may from time to time be amended (or any successor statute). The Board of Managers may retain legal counsel for the purpose of the proceedings or actions described in this paragraph on behalf of all Unit Owners for whom counsel is filing such complaint and charge all such Unit Owners for whom counsel is filing such complaint and charge all such Unit Owners a pro rata share of the expenses, disbursements and legal fees for which charges the Board of Managers shall have a lien pursuant to Section 339(z) of the Real Property Law.

The acts of a majority of such persons constituting the Board of Managers shall constitute the acts of said attorneys in fact.

The foregoing provisions of this power of attorney shall not apply to any purchase, lease, or sale of any Nonresidential Unit or otherwise apply to any Nonresidential Unit Owner or adversely affect the rights granted to the Sponsor or any Nonresidential Unit Owners pursuant to the Declaration or By-Laws.

This power of attorney is irrevocable and shall not be affected by the subsequent disability or incompetence of the undersigned.

Capitalized terms used herein shall have the meanings set forth in the Declaration and By-Laws.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney this _____ day of _____ 2005.

_____

_____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____ in the year, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____ in the year, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

Document No. 4

FORM OF UNIT DEED

Residential Unit Deed

THIS INDENTURE, made the __ day of _____, 2005 between 331 e 8 Associates LLC, a New York limited liability company, with an office c/o Helix Partners LLC, 40 Worth Street, Mezzanine Level, New York, New York 10013, "Grantor", and _____ residing at _____, "Grantee".

W I T N E S S E T H :

That the Grantor, in consideration of Ten ($10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs, successors and assigns of the Grantee, forever:

The Unit known as Unit No. _____ (hereinafter called the "Unit") in the Building known as and by the street address of 331 East 8th Street, in the Borough of Manhattan, City, County and State of New York, designated and described as Unit No. ____ in the Declaration establishing The 331 East 8th Street Condominium (hereinafter called the "Property"), made by the Grantor under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), dated _____, 2005, recorded in the Office of the City Register, New York County, on the _____ day of _____, 2005, in Reel____, at Page_____ (hereinafter called the "Declaration"), and designated also as Block No. _____, Tax Lot No. _____on the floor plans (the "Floor Plans") of the Building, certified by Kutnicki Bernstein Architects, filed in the Real Property Assessment Department of the City of New York on _____, 2005, as Condominium Plan No. _____ and filed in said Register's Office on _____, 2005.

The land on which the Building is located is described on Exhibit A attached hereto and made a part hereof.

TOGETHER with a _____% undivided interest in the Common Elements.

TOGETHER with an easement for support and for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements or Limited Common Elements now existing as a result of construction of the Building or which may come into existence hereafter as a result of settling or shifting of all or a portion of the Building, or as a result of repair or restoration of the Building or of such Unit or Common Elements or Limited Common Elements after damage or destruction by fire or other casualty, or after a 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 Board of Managers of the Condominium in accordance with

the Declaration and the By-Laws annexed 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, flues, wires, ducts, cables, conduits, 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 the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with and **SUBJECT** to (i) all easements created in the Declaration and (ii) easements of necessity in favor of the Unit or in favor of other Units or the Common Elements, and (iii) a right of way through the Common Elements to the public streets;

TOGETHER with the benefits, rights, privileges, easements and **SUBJECT** to the burdens, covenants, restrictions and easements set forth in the Declaration and By-Laws;

TOGETHER with the exclusive right to the use of Residential Limited Common Elements and Special Residential Limited Common Elements in accordance with the Declaration and By-Laws, and **SUBJECT** to the rights of other Unit Owners to use the Special Residential Limited Common Elements appurtenant to their Units;

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements and Limited Common Elements for support and the continuance of all encroachments of such adjoining Units or Common Elements or Limited Common Elements on the Unit now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling or shifting of all or a portion of the Building, or as a result of repair or restoration of all or a portion the Building or of any adjoining Unit or of the Common Elements or Limited Common Elements after damage or destruction by fire or other casualty, or after a 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 Board of Managers of the Condominium in accordance with the Declaration and By-Laws, so that any such encroachments may remain so long as the Building shall stand;

SUBJECT also to an easement in favor of the other Units to use, install, operate, maintain, repair, alter, rebuild, restore and replace such other units and the pipes, wires, ducts, conduits, cables, utility lines, flues and other Common Elements located in the Unit or elsewhere on the Property and serving such other units provided that access to any unit or the Common Elements in furtherance of such easement shall be exercised in such manner as will not unreasonably interfere with the use thereof for residential purposes;

TOGETHER with and **SUBJECT** also to the terms, conditions, easements, covenants and provisions of the Declaration and of the By-Laws of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the Office of the City Register, New York County, which terms, conditions, easements, covenants and provisions, 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 if such provisions were recited and stipulated at length herein;

SUBJECT also to any other 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 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 (i) the purposes of (a) construction, installation, maintenance, ingress to and egress from and the right to use (in common with all Unit Owners) pipes, flues, conduits, ducts, cables, wires, storm drainage facilities, water sewer and municipal and other utility systems and all fixtures and equipment serving any portion of the Property and (b) 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, (ii) ingress to and egress from all parts of the Property, and the use thereof in common with Unit Owners for all lawful purposes and (iii) the erection, maintenance, repair and replacement from time to time of one or more signs on the Property relating to the sale of Units or leasing of space in any Unit;

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, sewers, plumbing, heating, gas, telephone, wires, terminal boxes, mains, pipes, cables, amplifiers, poles, transformers, conduits and other equipment and facilities in, under, over and across the Property (including, but not limited to any agreement with any cable franchise permitted by municipal regulation to locate and maintain television cable and equipment in the Common Elements);

SUBJECT also to any and all other liens, covenants encumbrances, or restrictions or record, if any, as of the date hereof provided same do not prevent the use of the Unit for the purposes provided herein or materially adversely affect its value; and

SUBJECT also to the additional encumbrances set forth in Exhibit B attached to and made a part hereof;

TO HAVE AND TO HOLD the same unto the Grantee, the heirs or successors and assigns of the Grantee, forever.

The Unit shall be used as a residence (including permissible home occupation and other uses) as permitted by the Declaration, By-Laws and applicable law.

The Grantor covenants that the Grantor has not done or suffered anything whereby the premises have been encumbered in any way 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 purpose.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the Office of the New York City Register, New York County.

The term, "Grantee" shall be read as "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:

331 e 8 Associates LLC

By_____
Manager

Grantee:

_____
Grantee

_____
Grantee

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ____ day of _____ in the year 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____ in the year 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____ in the year 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

ALL that certain plot, piece or parcel of land situate lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly side of East 8th Street, distant 189 feet westerly from the northwesterly corner of Avenue C and East 8th Street;

RUNNING THENCE westerly along the northerly side of East 8th Street, 24 feet 9 inches;

RUNNING THENCE northerly parallel with the westerly side of Avenue C, 93 feet 11 inches to the center line of the block;

RUNNING THENCE easterly along the center line of the block and parallel with the northerly side of East 8th Street, 24 feet 9 inches;

RUNNING THENCE southerly parallel with the westerly side of Avenue C and part of the way through a party wall 93 feet 11 inches to the point or place of BEGINNING.

EXHIBIT B

Additional Title Encumbrances

1. State of facts shown on survey dated May 22, 2004, prepared by Barry Fahrer and any changes therefrom, a current, accurate survey or personal inspection of the Unit or Property would show, provided that such changes do not render title unmarketable.

2. The terms, conditions, easements, covenants and provisions of the Declaration and By-Laws, the Rules and Regulations and Floor Plans.

3. The agreements, covenants, easements, restrictions and other matters of record as pertain to the Unit or to the Property, provided same do not prevent the use of the Residential Unit as a residential condominium or materially adversely affect its value for such purpose.

4. Zoning and other resolutions, regulations, laws and ordinances and any amendments thereto, provided that neither the Building nor the Unit nor its uses pursuant to this Plan would be prohibited thereby, and any Declaration of Zoning Lot Restriction and Zoning Lot Ownership Statement (if required by law, ordinance, regulation, zoning resolution or administrative agency) and other documents recorded in the Office of the City Register, New York County and any other instrument or declaration affecting the Property which must be filed or recorded in compliance with applicable laws, rules and regulations in connection with this Plan or the consummation hereof.

5. Easements in favor of the owners of other Units to use pipes, flues, wires, ducts, conduits, cables, utility lines and other Common Elements, including those located in the Unit itself or elsewhere on the Property, serving such other Units, and easements of necessity in favor of the other Units and/or the Common Elements.

6. Easements for the continuance of encroachments on Units and on the Common Elements or Limited Common Elements by other Units or portions of the Common Elements then existing by reason of the construction of the Building or thereafter occurring by reason of the settling or shifting of the Building, or by reason of repair and/or restoration by the Board of Managers of the Building, such other Units or such Common Elements after damage by fire or other casualty or after a 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 the Board of Managers, or to any other Units so that any such encroachments may remain as long as the Building stands.

7. Franchise taxes and New York City General Corporation Taxes of any corporation in the chain of title, provided that the Title Company is willing to insure that such taxes will not be collected out of the Unit.

8. Current real estate taxes not yet due and payable which shall be apportioned as hereinafter set forth.

9. Sewer, water, electric, plumbing, heating, gas, telephone and other utility easements and consents, if any, then or thereafter recorded, including the right to maintain and operate lines, wires, cables, amplifiers, transformers, equipment, pipes, conduits, poles, meters and distribution boxes in, over, under and upon the property and the Building (including but not limited to any agreement with any cable franchise permitted by municipal regulation to locate and maintain television lines and equipment in the Common Elements.)

10. The lien of any purchase money mortgage obtained by the Purchaser.

11. Easements in favor of the Sponsor and its successors, assigns, invitees, licensees, contractors, employees and tenants, on, in, over and across all parts of the Property for (i) construction, installation, maintenance, ingress to and egress from and the right to use in common with all other Unit Owners, pipes, flues, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility systems and all fixtures and equipment serving any portion of the Property and for the purpose of completion of construction in accordance with the Plans and Specifications; (ii) ingress to and egress from all parts of the Property and the use thereof in common with Unit Owners for all lawful purposes; and (iii) the erection, maintenance, repair and replacement from time to time of one or more signs in or on the Property, relating to the sale of Units and the leasing of space in any Unit.

12. Easements for ingress and egress and for construction, installation, operation and maintenance of municipal service facilities and utilities and communication conduits.

13. Rights of all other Unit Owners through the Common Elements and in the event of emergency, or if required by law or necessity, the Unit or the Limited Common Elements to and from the public streets.

14. Encroachments by any balcony or terrace, if any, on an adjoining Unit or the Common Elements. Encroachments of stoops, areas, cellar steps, trim coping, foundations, fences, cornices, and similar projections, if any, of the Common Elements on, over and under the property or the streets or sidewalks abutting same and rights of governmental authorities to require removal of projections and variations between retaining walls and record lines.

15. Powers of Attorney from the Unit Owners to the Board of Managers of the Condominium and their successors in office.

16. Standard exceptions contained in the form of title insurance policy issued by the Title Company.

17. Consents by the Sponsor or any former owner of the Property for the erection of any structure on, under or above any street or streets on which the Building may abut.

18. Revocability of license for vault space, if any, under sidewalks and streets.

19. Any encumbrance as to which the Title Company or other title company insuring Purchaser's title, 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.

Document No. 5

FORM OF DECLARATION OF CONDOMINIUM

DECLARATION

Establishing a Plan for Condominium Ownership of the Premises 331 East 8th Street, New York, New York, Pursuant to Article 9-B of the Real Property Law of the State of New York

Name:	The 331 East 8th Street Condominium
Declarant:	331 e 8 Associates LLC c/o Helix Partners LLC 40 Worth Street, Mezzanine Level New York, N.Y. 10013
Date of Declaration:	_____, 2005

The land affected by the within instrument lies in Block 391, f/k/a Lot 44, and n/k/a Lots ___ to ___ on the Tax Map of the Borough of Manhattan, City of New York.

RECORD AND RETURN TO:

Robert Castellano, Esq.
11 West 42nd Street, Suite 900
New York, New York 10036

INDEX TO DECLARATION

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Schedule A – Property Description

Schedule B – Building Description

Schedule C – Unit Designation

Note: Page Numbers Intentionally Omitted in Offering Plan

DECLARATION ESTABLISHING THE 331 EAST 8TH STREET CONDOMINIUM FOR PREMISES 331 EAST 8TH STREET, NEW YORK, NEW YORK, PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK.

331 e 8 Associates LLC, a New York limited liability company with an office c/o Helix Partners LLC, 40 Worth Street, Mezzanine Level, New York, New York 10013, hereinafter referred to as the "Declarant" or "Sponsor", does hereby declare:

1. *Submission of Property.*

The Declarant hereby submits the land more particularly described on Schedule A attached hereto and made a part hereof, together with the Building and improvements thereon erected or to be erected (the "Building") owned by the Declarant in fee simple absolute (the land and Building hereinafter collectively called the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act").

2. *Building.*

Schedule B attached hereto and made a part hereof contains a description of the Building, including the number of stories, the number of Units and the principal materials of which it is constructed.

3. *Name of Condominium; By-Laws.*

(a) This Condominium shall be known as the "The 331 East 8th Street Condominium" (the "Condominium") and (b) attached to this Declaration and made a part hereof are the By-Laws of the Condominium which By-Laws set forth detailed provisions governing the operation, use and occupancy of the Condominium. Said By-Laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws".

4. *Definitions.*

(a) Unit. Any space in the Building designated as a Unit or as a Residential Unit in the Declaration, or "Floor Plans" (as hereinafter defined) or as hereafter amended, together with said Unit's appurtenant undivided interest in the Common Elements. All such Residential Units are collectively called "Units."

5. *Units.*

Annexed hereto and made a part hereof as Schedule C, is a list of each Unit in the Building, its Unit designation, tax lot number, location, approximate size, number of rooms, and the Common Elements to which it has immediate access all as shown on the floor plans (the "Floor Plans") of the Building, certified by Kutnicki

Bernstein Architects, and filed in the Office of the City Register, New York County, as Map No. _____ simultaneously with the recording of this Declaration, and the percentage of interest of each Unit in the Common Elements. As set forth in Schedule C hereof, there are five (5) Residential Units.

6. *Dimensions of the Units.*

(a) Each Unit consists of the area measured (1) horizontally from the outside face of sheathing on the front and rear walls of the building and from the centerline of the masonry wall on the side walls of the building, centerline of stair and elevator wall block and centerline of the common corridor portions on the first floor; and (2) vertically, consisting of the space measured from the top of the Unit's original sub-floor to the underside of the floor joists of the Unit above.

(b) The Unit includes: (i) the interior walls, partitions and floor coverings and finished ceilings affixed, attached or appurtenant to such Unit, (ii) any and all equipment, fixtures and appliances (including without limitation, heating and plumbing facilities, sinks, bathtubs, water closets, refrigerators, ranges, dishwashers and any other fixtures and equipment), affixed, attached or appurtenant to such Unit and benefiting only that Unit (including without limitation, the air conditioning compressors and air handlers located outside of the Unit, and (iii) any floor constituting a mezzanine or balcony contained within the Unit and any interior stairway leading from and to the upper and lower levels of any Unit, and any door leading from any balcony, terrace or roof terrace appurtenant to such Unit.

7. *Use of Units.*

Each Residential Unit shall be used as a residence only except that they may be used as professional or home offices by the resident thereof, to the extent permitted by applicable building and zoning laws, but only with the prior written consent of the Board of Managers, which shall not be unreasonably withheld, unless such use is prohibited by law. Notwithstanding the foregoing (i) while the Declarant or its designee owns any Residential Unit, Declarant or its designee shall have the right to use any such Unit for general and sales purposes, as models and to use such Units and the Common Elements for other purposes connected with the promotion, sales or leasing of Units; and to erect and maintain signs at the Building in connection with the offering and sale by Declarant or its designee of Units therein; to have Declarant's employees, contractors, representatives and sales agents present on the site; and to do all things necessary or appropriate including the use of the Common Elements to sell or lease Units, to complete construction and to comply with Declarant's obligation under this Plan; (ii) any Residential Unit may be used for professional offices or for any home occupation or ancillary use which is permitted by and consistent with all applicable laws, including zoning ordinances, provided the Residential Committee shall approve such use.

8. *Common Elements.*

(a) Generally. The Common Elements of the Condominium (the "Common Elements") consist of the entire Property including the Land, and all parts of the Building and improvements thereon other than the Units. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all equipment, systems and facilities therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. Within the category of Common Elements is the subcategory "Special Residential Limited Common Elements" which are Common Elements appurtenant to a particular Residential Unit, the use of which is restricted to the Owner of such Residential Unit.

The Common Elements are not subject to partition nor are they severable from the Units, except in accordance with the Condominium Act.

(b) General Common Elements. The General Common Elements consist of all portions of the Property, other than the Units and the Special Residential Limited Common Elements, including without limitation, the following:

1. All land foundations, columns, beams and supports, including load bearing walls;

2. All roofs and roof terraces;

3. All concrete floor slabs, concrete ceilings and all public halls, stairwells, fire passages and doors, landings and stairs (except those, if any, located within a Unit or those which are defined as Special Residential Limited Common Elements), elevator shafts and equipment rooms;

4. All exterior walls of the Building (but not including the portions thereof on the Unit side of such walls), walls and partitions separating Units from corridors, elevator shafts, stairs, compactors and other mechanical equipment and spaces, and walls and partitions separating a Unit from other Units or Common Elements located beyond the center line thereof;

5. All central and appurtenant installations for services such as power, light, telephone, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, ventilation, air conditioning and other mechanical and electrical systems (but excluding the air conditioning compressors and air handlers which shall constitute a Special Residential Limited Common Element appurtenant to the Unit they serve);

6. All tanks, pumps, motors, fans, compressors, mechanical, electric, and plumbing systems, including related control equipment serving all Units and/or the Common Elements;

7. All elevators and their respective shafts, pits and control equipment;

8. All rooms and equipment designated as such on the Floor Plans, including without limitation, pump room; electric meter room; mop room, boiler room; gas meter room; and halls; and

9. All other areas of the Property, air rights and all other parts of the building and all apparatus, systems, equipment and installations in the Building or on the Property for the common use of the Units and Unit Owners or which are necessary or convenient to the existence, maintenance or safety of the Property.

(c) Special Residential Limited Common Elements. The Special Residential Limited Common Elements include each of the rear yards, balconies and terraces to which there is direct and exclusive access through a doorway from the interior of a Residential Unit. Each Special Residential Limited Common Element to which there is direct and exclusive access is for the exclusive use of the Residential Unit Owner to whose Residential Unit such yard, balcony or terrace is appurtenant, subject to the right of the Board of Managers, its contractors, agents and employees to enter and occupy any such Special Residential Limited Common Element to the extent necessary to maintain or repair the Common Elements. The Residential Units having the exclusive use of a yard, terrace or balcony are indicated on Schedule A. The air conditioning compressors, air handlers and related controls and equipment serving each Unit shall be a Special Residential Limited Common Elements and all maintenance, repair and replacement of same shall be the responsibility of the Unit Owner served by such equipment.

(d) Maintenance and Repair of Common Elements. The cost of maintaining and repairing the General Common Elements shall be treated as a Common Expense to be shared by all Unit Owners in proportion to their Common Interest.

The cost of all painting, decoration, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary to the (i) General Common Elements, shall be undertaken by the Board of Managers and shall constitute a General Common Expense, unless such work is necessitated by the negligence, misuse, or neglect of a Unit Owner, in which event such expense will be charged to such Unit Owner, and (ii) Special Residential Limited Common Elements, other than structural items, shall be undertaken by the Residential Unit Owner to whose Unit such Special Residential Limited Common Element is appurtenant, at his sole cost and expense, unless such work is necessitated by the negligence, misuse or neglect of another Unit Owner or is due to the condition of, or damage to or from the General Common Elements or other Special Residential Limited Common Elements, in which

event the cost and expense of such repair shall be charged to such other Unit Owner or constitute a General Common Expense, respectively. To the extent such work is necessitated by the negligence, misuse or neglect of more than one Unit Owner, the cost shall be borne by such other Unit Owners in the proportion that their percentage interest in the Common Elements bears to the aggregate percentage interest in the Common Elements of all Unit Owners responsible therefor.

Any Residential Unit Owner whose Unit has appurtenant thereto a terrace or balcony shall keep such terrace, balcony or solarium free of snow, ice and ponding water. Notwithstanding the foregoing, all maintenance, repairs and replacements to the roofs, including portions which are roof terraces, shall be undertaken by the Board of Managers and the cost thereof allocated as herein provided.

9. *Determination of Percentages in Common Elements.*

The percentage of interest in the Common Elements applicable to each Unit as shown in Schedule C was determined pursuant to Section 339-(i)(1)(iv) of the Condominium Act and is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use and the overall dimensions of the particular Unit. The aggregate Common Interest of all Units is 100%.

In computing the Common Interest, the area of each Unit was included using the "Adjusted Area" of such Unit rather than the actual floor area. Adjusted Area is based on the interior floor area of the Unit, plus the area of any balcony, yard or roof terrace appurtenant to such Unit as set forth in the following:

Unit No.	Approx. Interior Area Sq. Ft.	Area of Terrace/Yard Yard and Balcony	Adj. Area	Percent of Common Interest
1*	1600	796	2396	21.00
2	1351	0	1351	16.00
3**	1351	0	1351	17.00
4**	1351	0	1351	18.00
5**+	1824	494	2319	28.00

Notes:

*Includes exclusive use of rear yard
**Includes exclusive use of balcony
+Includes exclusive use of roof terrace

10. *Encroachments.*

If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements as a result of the construction of the Building, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Building, or by reason of the repair and/or restoration by the Board of Managers of the Building, any Unit or the Common Elements, or by reason of the installation, maintenance, repair or replacement of flues, vents, air conditioning, heating, ventilation and other mechanical fixtures or equipment on the exterior wall or on the roof, a valid easement for the encroachment and for the maintenance thereof, so long as the Building stands, shall exist. In the event the Building, any Units or any Common Elements shall be partially or totally destroyed as a result of fire or other casualty or shall be taken as a result of condemnation or eminent domain proceedings and then be repaired or rebuilt, thereafter encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements due to such repair or rebuilding shall be permitted and valid easements for such encroachments and the maintenance thereof shall exist so long as the Building shall stand.

11. *Easements.*

(a) Each Unit Owner shall have an easement in common with the owners of all other Units to use, install, operate, maintain, alter, repair, rebuild, restore and replace all pipes, wires, ducts, vents, ventilating shafts and flues, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his or her Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units to use, install, operate, maintain, alter, repair, rebuild, restore and replace all pipes, wires, ducts, vents, ventilating shafts and flues, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his or her Unit and other Common Elements serving such other Units and located in such Unit.

(b) The Board of Managers shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building to the extent access in, to or through such Unit shall be reasonably necessary to accomplish the foregoing.

(c) Each Unit Owner shall have in common with all other Unit Owners, an easement for ingress and egress in, over and across the Common Element, to the extent such is necessitated by an emergency.

(d) Each Residential Unit Owner shall have in common with all other Residential Unit Owners, and each Unit shall be subject to, an easement (i) to install, operate, maintain, repair, alter, rebuild, restore and replace the Residential Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property, and (ii) to maintain any encroachment

or any Unit, the General Common Elements or the Limited Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Residential Units or the Residential Limited Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercise in such a manner as will not unreasonably interfere with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one day's prior notice, except that no notice will be necessary in the case of emergency.

(e) Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

(f) Declarant or its designee and their respective successors and assigns shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property for the purposes of advertising the sale or lease of any Unsold Unit and shall have an additional easement providing access in and to all Units and Common Elements consistent with the Offering Plan for condominium ownership of the Property, as amended from time to time, including without limitation, the right to develop, renovate, maintain, repair, refurnish, offer, sell and lease Units

(g) Declarant or its designee and the Board of Managers shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements upon any portion of the Property, as Declarant 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 appropriate Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Residential 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 to not unreasonably interfere with the use of the Residential Units for their permitted purposes.

The beneficiary of any easement granted by the above sub-paragraphs of this paragraph 11 shall have the responsibility of repairing any damage resulting therefrom.

12. *Power of Attorney to Board of Managers.*

Subject to any express provision to the contrary contained in this Declaration, each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable Power of Attorney, coupled with an interest, in recordable form on behalf of all Residential Unit Owners, (1) (i) to acquire title to or to lease any Residential Unit whose owner desires to sell or to lease the same, or (ii) on behalf of all Unit Owners to acquire any Unit which may be used as a

superintendent's apartment or may be surrendered or which may be the subject of a foreclosure or other judicial sale in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, and to convey, sell, lease, mortgage, vote the votes appurtenant thereto (other than for the election of members of the Board of Managers) or otherwise deal with any such Unit so acquired, or to sublease any Unit so leased by the Board of Managers, or (2) to create any easements or carry out the provisions of the Offering Plan for the Condominium, or (3) subject to any express provisions to the contrary contained in this Declaration, to execute, acknowledge and deliver a declaration or other instrument which the Board deems necessary or appropriate to comply with any law, ordinance or regulation of any agency or instrumentality of the City of New York in connection with the Common Elements, or (4) to act as agent for each Unit Owner in a single administrative or judicial proceeding for real estate assessment review and reduction, to retain legal counsel for such purposes and to charge all such Unit Owners whose Units are the subject thereof a pro rata share of the expenses, disbursements and legal expenses for which the Board of Managers shall have a lien pursuant to Section 339-Z of the Real Property Law, and (5) to act as agent for each Unit Owner to execute, acknowledge and deliver any declaration, instrument or document to change or amend the Declaration, By-Laws or Rules and Regulations which is required to enable the Declarant or its designee or a Nonresidential Unit Owner to effectuate any such alteration, change or amendment permitted to be made by such owner pursuant to the Declaration and By-Laws. The Board of Managers shall cause such power of attorney to be recorded in the Office of the City Register, New York County, at the expense of the Unit Owner immediately upon receipt by the Board of Managers thereof.

The foregoing provisions of this Power of Attorney shall not apply to the Declarant or the Nonresidential Unit Owners, or to any lease or sale of a Unit owned by the Declarant or Nonresidential Unit Owners, or in any other manner which would materially adversely affect the rights of Declarant or the Nonresidential Unit Owners granted hereby or by the By-Laws.

13. *Acquisition of Units by Board of Managers.*

(a) In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Mangers or its designees on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-Z of the Real Property Law of the State of New York, or (b) the Board of Managers shall purchase from any Residential Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, pursuant to Section 1 of Article VII of the By-Laws, or (c) the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Mangers or its designee on behalf of all Unit Owners who shall be entitled to receive the income therefrom or bear the expenses thereof, in proportion to their respective Common Interest

if it acquired the Unit under (a) or (c) above or on behalf of all Residential Unit Owners in proportion to their respective Common Interest among Residential Unit Owners if it acquired the Unit under (b) above.

14. *Person to Receive Service.*

The person who from time to time holds the office of President of the Board of Managers (or in the absence of the President, any other member of the Board of Managers of the Condominium residing at the Condominium), is hereby designated to receive notice of process in any action which may be brought against the Condominium.

15. *Units Subject to Declaration, By-Laws and Rules and Regulations.*

All present and future owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time and any recorded encumbrances to which they are subordinate. The acceptance of a Deed or conveyance, or the entering into of a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

16. *Amendment of Declaration.*

(a) Subject to the provisions contained herein or in the By-Laws with respect to certain types of amendments by or affecting Declarant, or its designee and except for the provisions of this Paragraph 16, this Declaration may be amended only by the vote of at least seventy (70%) percent in number and in Common Interest of all Unit Owners, cast in person or by proxy, at a meeting duly held in accordance with the provisions of the By-Laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the consent of all Unit Owners affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments by or affecting Declarant or its designee or any Unsold Residential Unit or the Nonresidential Units, no amendment to the Declaration may be made without the written consent of the holders of Residential and Nonresidential Unit mortgages, if required by the terms of such mortgages. In all events, any Residential or Nonresidential Unit mortgage must state that if consent by the holder thereof to amendments to the Declaration is necessary, such consent shall not be unreasonably withheld or delayed. No such amendment shall be effective until recorded in the Office of the City Register, New York County.

(b) The Declarant shall have the right, without vote or consent of other Unit Owners or the Board of Managers or the holders of Unit mortgages, to execute or upon request, to require the Board of Managers to execute and record in the Office of the City Register, New York County, and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, plans and maps as may be required to effectuate the amendment) to reflect any changes in Units and the re-apportionment of the Common Elements resulting therefrom made by the Declarant in accordance with subparagraph (c) of this Paragraph 16. All expenses in connection with the preparation, recording and filing of any such amendment shall be paid by the Declarant.

(c) Except as provided in this Paragraph 16 with regard to the right of the Declarant to amend this Declaration, Paragraphs 5, 6 and 23 of this Declaration may not be amended without the consent of the Unit Owner of every Unit affected by such amendment. The provisions of this Paragraph 16 may not be added to, amended or deleted, in whole or in part, without the consent of the Declarant or its designee, so long as the Declarant or its designee owns any Unit.

(d) No amendment shall change a Unit Owner's proportionate share of the Common Interest, unless all Unit Owners affected agree to such amendment by recorded instrument.

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

(f) Irrespective of any other provisions of this Declaration, no action of partition or division of the Common Elements shall be brought nor shall Condominium ownership of the Property be terminated where such partition, division or termination will result in a violation of the then existing local zoning or building laws or codes.

(g) The provisions of Paragraphs 16, 17, 22 and 23 may be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant or its designee.

17. *Definition of "Declarant or its Designee".*

The term "Declarant" or "its Designee" or "Declarant or its Designee" as used in this Declaration shall mean Declarant or any affiliate of Declarant or any person or entity appointed or designated by Declarant to act for or on behalf of Declarant in connection with the Condominium and/or the Board of Managers of the Condominium including any Committee of said Board of Managers. An affiliate of Declarant shall be deemed to be a person or an entity who or which (i) owns more than 50% of the legal or beneficial interest of Declarant or any partner in Declarant, or (ii) an entity with respect to which Declarant or any partner in Declarant owns more than 50% of the legal or beneficial interest, or (iii) is or was a partner in Declarant. A Declarant shall have the right to designate a person or entity to succeed its rights and any such designee shall also be deemed a "designee".

18. *Common Charges.*

All sums assessed as Common Charges by the Board of Managers of the Condominium but unpaid, together with interest thereon at the maximum rate permitted by law, shall constitute a lien on the Unit prior to all other liens except: (a) tax or assessment liens on the Unit by the taxing subdivision of any governmental authority, and (b) all sums unpaid on any first mortgage of record encumbering the Unit. A lien for Common Charges may be filed against a delinquent Unit and foreclosed by the Condominium when Common Charges are past due in accordance with the laws of the State of New York in like manner as a mortgage on real property. In any such foreclosure, the Condominium shall also have a right to recover all costs and expenses incurred including reasonable attorneys' fees. In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a General Common Expense. However, where the holder of an institutional first mortgage of record, or other purchase of a Unit as a foreclosure sale of an institutional mortgage, obtains title to a Unit as a result of foreclosure, or the institutional mortgage holder obtains title in lieu of foreclosure, such acquirer of title, his or her successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges payable by such Unit, which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges shall be charged to all Unit Owners as a General Common Expense. The term "institutional mortgage" used herein shall mean a first mortgage granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, trust company, pension fund, agency of the United States or of the City or State of New York, or other similar institutional lender or a purchase money mortgage granted by the seller of the Unit.

Every Unit Owner shall pay the Common Charges assessed against him or his Unit when due and no Unit Owner may exempt himself or the Unit from liability for the payment of Common Charges assessed against him or the Unit by waiver of the use of any of the Common Elements or by abandonment of the Unit. However, no Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with Section 339-Z of the Condominium Act or in accordance with the provisions of the Declaration and the By-Laws.

19. *Conveyance of a Unit.*

In any conveyance of a Unit in accordance with this Declaration and By-Laws, the Grantee of the Unit shall be jointly and severally liable with the Grantor for any unpaid Common Charges against the Unit through the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of Common Charges against the Grantor and such Grantee shall not be liable for any unpaid Common Charges against the Grantor in excess of the amount set forth in such statement. "Grantee" as used in this

paragraph shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

20. *Termination of Condominium.*

The Condominium shall continue and shall not be subject to an action for partition until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws, or (b) such time as withdrawal of the Property from the provisions of the New York Condominium Act is authorized by a vote of at lease eighty (80%) percent in number and in common interest of all Unit Owners. No such vote under clause (b) in the preceding sentence shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of at least two-thirds (2/3) of the holders of Residential and Commercial Unit first mortgages (based upon one vote for each first mortgage owned), if any. Declarant or its designee will not vote its interest appurtenant to any Unsold Residential Unit for such withdrawal unless at lease eighty (80%) percent in number and in Common Interest of all other Unit Owners so elect such withdrawal at which time Declarant or its designee may choose to vote either in favor of or against withdrawal from Condominium ownership, as it sees fit. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his or her share of such net proceeds all liens on the Unit, in the order of priority of such liens.

21. *Changes in the Units.*

Except to the extent prohibited by law, Declarant or its designee shall have the right, without prior notice and without the vote or consent of the Board of Managers, any other Unit Owner or the holders of Residential or Commercial Unit Mortgages, if any, to:

(a) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Residential Units;

(b) change the layout of or number of rooms in, any Unsold Residential Units from time to time;

(c) change the size and/or number of Unsold Residential Units by subdividing one or more Unsold Residential Units into two or more separate Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, altering the boundary walls between any Unsold Residential Units, and erecting or modifying certain walls or corridors to allocate a portion of the Common Elements to the exclusive use of a Unit(s) which are shall then become a Special Residential Limited Common Element, or otherwise; and

(d) if appropriate, reapportion among the Unsold Residential Units affected by any such change in size or number pursuant to the preceding clause (c) their percentage interests in the Common Elements; provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Residential Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto and, further provided, that Declarant shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom The provisions of this paragraph 21 may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee.

22. *Additional Rights of Declarant.*

(a) Declarant hereby reserves to itself the right for itself and its designees, invitees, contractors, agents, employees and tenants, of ingress, egress and access in and to the Units, Common Elements and Limited Common Elements to make such changes, alterations, repairs, adjustments or to take such other actions as may be necessary or desirable to enable the completion of construction of the Property substantially in accordance with the Plans and Specifications previously filed, as same have or may be amended, with the New York City Department of Buildings and other applicable governmental authorities having jurisdiction thereof in accordance with the Offering Plan for Condominium Ownership of the Property.

(b) So long as the Declarant or its designee shall have an interest in any Unit, the 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, to (i) make alterations, additions or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon any Units owned by it, (ii) change the layout or number of rooms in the Unit, (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between Units, erecting or modifying certain walls or corridors to allocate a portion of the Residential Limited Common Elements to the exclusive use of a Unit(s) which area shall then become a Special Residential Limited Common Element, or otherwise, and (iv) reapportion among the Units affected by such change their appurtenant interests in the Common Elements, provided, however, that in each instance Declarant shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

(c) The construction of the Lobby by Declarant, or on behalf of Declarant by any parties hereafter designated to do so in writing by Declarant, and all furnishings, furniture, fixtures, equipment, signs, hangings, floor or other surface coverings, barriers or partitions, other matter or material located and installed in the Lobby by Declarant or by any such designees of Declarant, shall not be changed or

altered in any manner, nor shall any additions be made by any Unit Owners or by the Board of Managers, unless and until, in each instance, the same shall first be approved in writing by the Declarant, so long as Declarant or its designee shall own at least one Unit.

23. *Covenant of Further Assurances.*

(a) Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, the Sponsor or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take each other action, as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or in the Plan or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(b) If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration or the Plan, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Condominium Board, Unit Owner, or other Person is required to take pursuant to this Declaration or the Plan at the request of Sponsor, then Sponsor is hereby authorized as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person, as the case may be.

(d) Nothing contained in this Article 23 shall be in derogation of Section 339(i) of the Condominium Act.

24. *Covenants to Run with the Land.*

(a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 24, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon, and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in, or for the benefit of, the general public. All present and future owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a Deed or conveyance or the succeeding to title, the entering into a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and all of such provisions shall be deemed and taken by covenants running with the Land and shall bind any person having, at any time, any interest or estate in such Unit as though such provisions were recited and stipulated at length in each and every Deed, conveyance, or lease.

(b) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provisions as a covenant running with the Land. If any provision that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provisions shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

(c) Subject to the terms of paragraph (b) of this Article 24, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest

therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded and instrument agreeing to each such provision as a covenant running with the Land.

25. *Consent of Sponsor.*

Wherever the consent, approval, satisfaction, or permission of Sponsor or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor or such designee no longer owns any Units.

26. *Invalidity.*

The invalidity of any provision of this Declaration or the By-Laws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and By-Laws, and, in such event, all of the other provisions of this Declaration and By-Laws shall continue in full force and effect as if such invalid provision had never been included herein.

27. *Waiver.*

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

28. *Gender.*

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine or neuter gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this day of , 2005.

331 e 8 Associates LLC

By:_____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____ in the year 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared_____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

ALL that certain plot, piece or parcel of land situate lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly side of East 8th Street, distant 189 feet westerly from the northwesterly corner of Avenue C and East 8th Street;

RUNNING THENCE westerly along the northerly side of East 8th Street, 24 feet 9 inches;

RUNNING THENCE northerly parallel with the westerly side of Avenue C, 93 feet 11 inches to the center line of the block;

RUNNING THENCE easterly along the center line of the block and parallel with the northerly side of East 8th Street, 24 feet 9 inches;

RUNNING THENCE southerly parallel with the westerly side of Avenue C and part of the way through a party wall 93 feet 11 inches to the point or place of BEGINNING.

Schedule B

Description of Building and Units

The Building consists of five (5) Residential Condominium Units located on floors cellar to five (5) of the Building. The total height of the Building to the highpoint of the roof is approximately sixty (60) feet.

Schedule C

(To Be Inserted in Recorded Declaration)

Document No. 6

FORM OF CONDOMINIUM BY-LAWS

BY-LAWS

of

THE 331 EAST 8TH STREET CONDOMINIUM
331 East 8th Street
New York, New York

(Part 2 of the Declaration)

Robert Castellano, Esq.
11 West 42nd Street, Suite 900
New York, New York 10036

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BY LAWS

of

THE 331 EAST 8TH STREET CONDOMINIUM

ARTICLE 1

Plan of Unit Ownership

Section 1. Purpose. The purpose of these By-Laws is to set forth the rules and procedures governing the operation and conduct of The 331 East 8th Street Condominium ("Condominium"). The Condominium comprises the land and building situate thereon in the Borough of Manhattan, City, County and State of New York, more particularly described in Schedule A of the Declaration recorded in the Office of the City Register, New York County, simultaneously herewith, and the Building now or hereafter constructed on said land (the land Building hereinafter are collectively called the "Property"). The Property has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") by the recording of the Declaration.

Section 2. Definitions. Capitalized terms used in these By-Laws and not otherwise defined herein shall have meanings as defined in the Declaration to which these By-Laws are attached.

Section 3. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 4. Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, agents, licensees, invitees 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 attached hereto as Exhibit A, each as may be amended from time to time. The acceptance of a deed or conveyance or the succeeding to title to a Unit (by operation of law or otherwise) or the entering into of a lease or the act of occupancy or acceptance of surrender 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 assumed, accepted, ratified, and will be complied with.

Section 5. Office. The office of the Condominium and of the Board of Managers shall be located at the Property or at such other place in the County of New York as the Board of Managers may from time to time designate.

ARTICLE II

Board of Managers

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Managers. The Board of Managers shall initially consist of three (3) persons designated by Declarant until their successors shall have been elected by the Unit Owners, including Declarant or its designee, at the first meeting of Unit Owners held pursuant to Section 1 of Article III of these By-Laws, at which meeting a new three (3) member Board of Managers shall be installed in accordance with these By-Laws. Notwithstanding the foregoing, the Declarant or its designee shall have the right to appoint certain members in accordance with the provisions of Section 4 of Article II of these By-Laws.

All members of the Board of Managers shall be Unit Owners or spouses of Unit Owners or mortgagees of Units or, in the case of partnership or limited liability company owners or mortgagees, shall be members, managers or employees of such partnership or, in the case of corporate Unit Owners or mortgagees, shall be officers, directors, shareholders or employees of such corporations or, in the case of fiduciary Unit Owners or mortgagees, shall be the fiduciaries or officers or employees of such fiduciaries or, in the case of the Declarant, shall be the designees of the Declarant.

Section 2. Powers and Duties. (a) 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. Such powers and duties of the Board of Managers shall include, but shall not be limited to the following:

(i) Operation, care, upkeep and maintenance (including the removal of trash, debris, snow and ice) of the Common Elements (as such term is defined in the Declaration);

(ii) Determination of the General Common Expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the General Common Elements;

(iii) Collection of the Common Charges from the Unit Owners, and to the extent the Units are not separately assessed for real estate taxes, to establish a method for allocating the tax imposed among all Units in a manner consistent with the method of allocation set forth in the Offering Plan, and billing and collecting the same;

(iv) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements;

(v) Adoption and amendment of rules and regulations covering the details of the operation and use of the General Common Elements and Special Residential Limited Common Elements;

(vi) Opening and maintaining 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 Residential Unit Owners, Residential Units offered for sale or lease by their owners to the Board of Managers;

(viii) Acquiring by surrender or by purchase, Units at foreclosure or other judicial sales 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, subleasing Units leased by the Board of Managers, 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 Units or rights and interests in real and personal property for use in connection with the ownership and operation of the Common Elements on behalf of all Unit Owners;

(xii) Leasing portions of the Common Elements and granting licenses for vending machines and other concessions;

(xiii) Obtaining insurance, pursuant to the provisions of Article V, Section 2 hereof;

(xiv) Making repairs, additions and improvements to or alterations of the Common and making of repairs to and restoration of the Common Elements in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(xv) Borrowing money on behalf of the Condominium when Common Elements, provided, however, that (A) the consent of at least 70% in number and in Common Interest of the Unit Owners, present in person and/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 $100,000 for the General Common Elements, and (B) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the Unit Owner. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (xv) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interests in the Common Elements of all the Unit Owners responsible for paying therefor 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.

(xvi) Levying fines against Unit Owners for violations of the rules and regulations governing the operation and use of the Common Elements, except that no fines shall be levied against the Declarant;

(xvii) Adjusting and settling claims under insurance policies obtained pursuant to Article V, Section 2, and executing and delivering releases upon settlement of such claims on behalf of all Unit Owners.

(xviii) Executing, acknowledging and delivering (i) any declaration or other instrument affecting the Property 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 (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Board of Managers deems necessary or appropriate.

(xix) Preparing, executing and recording, on behalf of all Unit Owners, as their attorney-in-fact, a restatement of the Declaration and/or these By-Laws whenever the Board of Managers deems it advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws; and

(xx) Executing, acknowledging and delivering any document or other instrument necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units for the benefit and on behalf of each Unit Owner who has given appropriate written authorization, provided that each Unit Owner indemnifies the Board of Mangers from and against all claims, costs and expenses (including, without limitation, reasonable attorney's fees and disbursements) resulting from such proceedings.

Section 3. Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including, but not limited to the duties listed in subdivisions (i), (iii), (iv), (xii) and (xiv) of Section 2, paragraph (a) of this Article II. The Board of Managers may delegate to the manager or managing agent all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (ii), (v), (vi), (vii), (viii), (x), (xi), (xv) and (xvii) of Section 2, paragraph (a) of this Article II.

Section 4. Election and Term of Office. (a) Except as provided in Section 1 of the Article III of these By-Laws, at the first meeting of Unit Owners, the term of office of one of the members of the Board of Managers shall be fixed at one (1) year or until their successors shall have been elected. The nominees receiving the highest number of votes shall serve the longest terms. However, if at the first meeting Declarant may appoint a majority of the members in accordance with paragraph (b) of this Section 4 of this Article II of these By-Laws, Declarant's appointees shall hold the shortest terms. At the expiration of the initial term of office of each member of the Board of Managers, his successor shall be elected to serve for a term of two (2) years. Notwithstanding the foregoing, each member of the Board of Managers shall hold office until his respective successor shall have been elected by the Unit Owners.

(b) Notwithstanding the foregoing, until the Declarant (or its designee) has conveyed 80% of the Residential Units to unaffiliated third-party purchasers, but in no event more than two (2) years following the closing of title to the first Residential Unit (the "Declarant Control Period"), the Declarant shall have the right to appoint a majority of the members of the Board of Managers. After the Declarant Control Period ends, the Declarant will nevertheless be entitled to appoint one (1) member of the Board of Managers for so long as Declarant shall continue to own any Residential Unit. After the expiration of the Declarant Control Period, the Declarant shall be entitled to cast the votes appurtenant to the Unsold Units in favor of such candidates for the Board of Managers in like manner as any other Unit Owner, provided, however, that the Declarant shall not vote for persons related to or under the control of the Declarant if to do so would result in a majority of the members of the Board of Managers being persons related to or under the control of the Declarant.

During the Declarant Control Period, the number of members of the Board of Managers may not be changed without Declarant's consent. At such time as Declarant or its designee may no longer appoint any members, Declarant's appointees to the Board of Managers shall relinquish their position at the end of their respective terms and a successor shall be elected by the Residential Unit Owners (including Declarant) for a term equal to that of his predecessor

Section 5. Removal of Members of the Board of Managers. At any regular or special meeting of Unit Owners, any one or more of the members (other than a member designated by the Declarant or its designee) may be removed with or without cause by a majority of the Residential Unit Owners and a successor may then or thereafter be elected by the Residential Unit Owners to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting. If a member of the Board of Managers ceases to be a Unit Owner or mortgagee (or a partner, member, manager, officer, director, stockholder or employee of a partnership, limited liability company or corporate Unit Owner or mortgagee or fiduciary Unit Owner or mortgagee), unless such member is a designee of the Declarant or its designee, he shall be deemed to have resigned effective as of the date such ownership, affiliation or mortgage interest ceased.

Section 6. Vacancies. Vacancies on the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, respectively, shall be filled by vote of a majority of the remaining members, at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall thereafter 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 at the next annual meeting of Unit Owners.

Section 7. Organizational Meeting. The first meeting of the members of the Board of Managers following each annual meeting of the Unit Owners shall be held 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, providing a majority of the whole Board of Managers shall be present thereat.

Section 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, as the case may be, but at least four (4) 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, by mail or telegram, at least three (3) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Managers may be called by the President upon three (3) business days' notice to each member of the Board of Managers given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Managers.

Section 10 Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. Any one or more members of the Board of Managers or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all the members of the Board of are present at any meeting of the Board or Residential or Nonresidential Committee, as the case may be, no notice shall be required and any business may be transacted at such meeting.

Section 11 Quorum. Except as otherwise required 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, a majority of the members thereof, shall constitute a quorum for the transaction of business. The votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. 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 12. Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds for all members of the Board of Managers, officers and employees of the Condominium and the managing agent handling or responsible for Condominium funds. The premiums on such bonds shall constitute a General Common Expense.

Section 13. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 14. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all liability to others arising from their acts as, or by reason of the fact that such person was, a member of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that 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 such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, 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), and that any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all Unit Owners in the Common Elements.

Section 15. Executive Committee. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Managers, at least one of whom shall be designated by the Declarant, so long as the Declarant has the right to designate a member. 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 the power (a) to determine the Common Charges and Common Expenses, (b) to adopt or amend the rules and regulations covering the details of the operation and use of the Common Elements, or (c) to exercise any of the powers set forth in subdivisions (vii), (viii), (ix), (x), (xiii), (xiv), (xv) and (xvii) of Section 2, paragraph (a) of this Article II.

Section 16. Other Committees. The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. Any such Committee shall consist of a member appointed by Declarant or its designee so long as Declarant or its designee shall have the right to appoint a member. Unless the provisions of the Declaration or By-Laws expressly require otherwise, the decisions of any such committee shall be based upon a vote by a majority of the committee members.

ARTICLE III

Unit Owners

Section 1. Annual Meetings. Within sixty (60) days after the anniversary of the conveyance of title by Declarant to the purchaser of the first Residential Unit under the Offering Plan, the Declarant shall call the first meeting of Unit Owners which shall be for the sole purpose of electing a three (3) member Board of Managers. Thereafter, annual meetings of Unit Owners shall be held on the anniversary of the first meeting unless such date shall occur on a Saturday or Sunday, in which event the meeting shall be held on the succeeding Monday. At such meeting Board of Managers shall be elected by ballot of the Residential Unit Owners, including Declarant or its designee, in accordance with the requirements of Section 4 of Article II of these By-Laws. After the first meeting, the Unit Owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meeting of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers or applicable Committee.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers or, upon a petition signed and presented to the Secretary by not less than 25% in Common Interest, in the aggregate, of all Unit Owners with respect to calling a special meeting 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 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 (10) but not more than forty (40) 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 thirty (30) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5 Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority in Common Interest 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 forty-eight (48) hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

(a) Call to order.

(b) Roll call.

(c) Proof of notice of meeting.

(d) Reading of minutes of preceding meeting.

(e) Reports of officers.

(f) Report of Board of Managers.

(g) Reports of committees.

(h) Election of inspectors of election (when so required).

(i) Election of members of the Board of Managers (when so required).

(j) Unfinished business.

(k) New business.

Section 7. 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 or partnership, or in the name of a fiduciary or in such other manner as may be permitted by applicable law.

Section 8. Voting. The owner or owners of each Unit (except the Board of Managers or its designee) or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any or all of such owners may be present at any meeting of the Unit Owners and may vote or take any other action as a Unit Owner either in person or by proxy (those owning a Unit jointly or in common must act unanimously). The total number of votes of all Unit Owners shall be 1,000,000 and each Unit Owner (including the Declarant or its designee, if the Declarant shall then own one or more Units and the Board of Managers) shall be entitled to cast one vote at all meetings of the Unit Owners for each .0001 per cent of interest in the Common Elements appurtenant to his or their Unit. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity.

Section 9. Majority of Unit Owners. As used in these By-Laws (i) "majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners, present in person or by proxy and voting at any meeting of the Unit Owners or Residential Unit Owners, as the case may be, shall be determined in accordance with the provisions of Section 8 of this Article III.

Section 10. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners having one-third of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of Unit Owners.

Section 11. Majority Vote. Except where otherwise provided in the Declaration, these By-Laws or by law, a higher percentage vote is required, the vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes.

Section 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 consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the Condominium shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Board of Managers. All officers except the Secretary must be Residential Unit Owners. The Secretary may be a Residential Unit Owner or may be an employee of the Managing Agent, but in any event need not be a member of the Board of Managers. The Board may appoint such other officers as in its judgment may be necessary.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers, at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and the Board of Managers. Subject to the provisions of these By-Laws, he shall have all of the general powers and duties which are incident to the office of president of a 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 may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in 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 by the Board of Managers or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall, in general, perform all the duties incident to the office of secretary of a corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer. The Treasure 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, and for the preparation of all required financial data. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Managers or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall perform, in general, all the duties incident to the office of treasurer of a corporation organized under the Business Corporation Law of the State of New York.

Section 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 person or persons as may be designated by the Board of Managers.

Section 9. Compensation of Officers. No officer shall receive compensation from the Condominium for acting as such. The provisions of this Section 9 of this Article IV shall not be amended so long as Declarant shall own more than 90% of the Units.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, and at least annually, prepare a budget to meet the costs and expenses associated with the repair, maintenance, replacement, restoration and operation of and any alteration, addition or improvement to the General Common Elements and the operation of the Condominium ("General Common Expenses") and shall allocate and assess among the Residential Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("General Common Charges") to meet the General Common Expenses. The Board of Managers shall promptly advise all Residential Unit Owners, in writing, of the amount of General Common Charges payable by each of them and shall furnish to all Residential Unit Owners, copies of each budget upon which such General Common Charges are based. The General Common Expenses shall include, among other things, the cost of all 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 Section 2 of this Article V, such amounts as the Board of Managers may require for the purchase, lease or sublease by the Board of Managers or its designee,

corporate or otherwise, on behalf of all Residential Unit Owners of any Residential Unit whose owner has elected to sell, lease, transfer or convey such Unit and such other expense items as are designated for the budget set forth as schedule B to the Offering Plan in the Condominium. The General Common Expenses may also, subject to certain approval rights of Declarant, include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operation reserve, for a reserve fund for replacement, and to make up any deficit in the General Common Expenses for any prior year. That portion of the General 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.

Section 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable and to the extent determined by the Board of Managers to be appropriate or relevant, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements insuring the Building (including all structural elements of the Units and the bathroom and kitchen fixtures installed therein by Declarant, partitions, floors and ceilings within the Units, but not including furniture, furnishings, kitchen appliances or other personal property supplied or installed by Unit Owners or tenants of Unit Owners), together with all service machinery contained therein, and covering the interests of the Condominium, the Board of Managers, and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of the Building (exclusive of the cost of excavation and foundations), without deduction for depreciation; each of said policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; (2) rent insurance covering the Common Charges payable by the Unit Owners; (3) worker's compensation insurance for Condominium employees; (4) boiler and machinery insurance; (5) water damage legal liability insurance; (6) Officers' and Directors' Liability Insurance; (7) Fidelity Insurance covering the Managing Agent and all employees and members of the Board of Managers who handle Condominium funds; and (8) such other insurance as the Board of Managers may determine necessary or prudent. The proceeds of all policies of physical damage insurance will be payable to the Board of Managers if $100,000 or less, and to a bank, trust company or savings and loan association designated by the Board of Managers as the "Insurance Trustee", if more than $100,000, in accordance with the terms of these By-Laws, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners as hereinafter set forth. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner unless the Unit Owners determine not to repair, restore or rebuild the Building.

The amount of fire insurance to be maintained until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners shall be at least in the sum of the agreed amount endorsement provided in the insurance quotation set forth in the Offering Plan.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, or of pro-rate reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at lease thirty (30) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies and each Unit Owner shall receive a certificate of such insurance. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building (exclusive of the cost of excavation and foundations) including all of the Units and all of the Common Elements therein, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, 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, the manager, and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits once each year. Until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners, umbrella public liability insurance shall be in a single limit of $2,000.00 covering all claims for bodily injury or property damage arising out of one occurrence and in a limit of $1,000,000 for each occurrence for water damage, legal liability claims.

No Unit Owner shall be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty (unless such damage or destruction shall give a Unit Owner or lienor a right of partition as provided by the Condominium Act), the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged Units, and many kitchen or bathroom fixtures installed therein, and partitions, floors and ceilings within the Unit, but not including any wall, ceiling or floor decorations or coverings or furniture, furnishings, fixtures, appliances or equipment supplied or installed by Unit Owners or tenants of Unit Owners) and the Board of Managers or the Insurance Trustee, as the case

may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a General Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If, as the result of damage to or destruction of the Building by fire or other casualty, the Property becomes 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 Property will not be repaired and the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Section 4. Payment of Common Charges. Each Unit Owner shall be obligated to pay the Common Charges allocated to his Unit pursuant to the provisions of Section 1 of this Article V at such time or times as the Board of Managers shall determine. In connection with the initial occupancy of the Building, Declarant, or the Board of Managers, may adopt an interim budget below the amount set forth in the initial budget for Condominium operation set forth in Schedule B to the Offering Plan of the Condominium upon which Common Charges will be based. Alternatively, during the Sponsor Control Period, Declarant may elect to provide some or all of the services contemplated in the Offering Plan at its sole cost and expense in which case the cost of such items will no be included in the Common Charges payable by the Unit Owners.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for unpaid Common Charges, convey his Unit, together with the "Appurtenant Interests", to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges assessed against such Unit prior to the acquisition by him of such Unit, except that a first mortgagee or other purchaser of a Unit from a first mortgagee at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the foreclosure sale (except for Common Charges due prior to the date of the first mortgage).

Section 5. Collection of Assessments. The Board of Managers shall assess Common Charges against the Unit Owners from time to time and at least annually and shall take prompt action to collect any Common Charges due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof.

Section 6. Default in Payment of Common Charges. In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the maximum rate permitted by law on such Common Charges or assessments from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. In addition to any other remedy, the Board of Managers shall have the right to avail itself of the provisions provided in Real Property Law Section 339-kk to the extent applicable.

Section 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclosure a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. 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. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges. The Board of Managers (or a managing agent on its behalf) shall promptly provide any Unit Owner with a written statement of all unpaid Common Charges due from such Unit Owner upon written request therefor and may impose a fee therefor.

Section 9. 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 (a) upon reasonable notice to the Unit Owner, 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 provision 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 10. Maintenance and Repairs. (a) All maintenance of and repairs to any Unit, structural or nonstructural, ordinary or extraordinary (other than maintenance of and repairs to any Common Elements contained therein and not necessitated by the negligence, misuse or neglect of the Owner of such Unit) shall be made by the Owner of such Unit at its sole cost and expense. Each Unit Owner shall be responsible for all damage to any and all other Units and/or to Common Elements that occur as a result of his failure to perform such maintenance and repairs. The items for which Unit owners are individually responsible include, but are not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures, appliances, windows and their frames, sills, sashes, mullions, mechanisms and latches (except that all work required to be performed from the exterior shall be performed by the Board of Managers as a General Common Expense, unless due to the negligence, failure to maintain or misuse by the Unit Owner in which case the cost shall be billed to the Unit Owner), all interior and exterior doors (excluding the entrance door, the exterior portion of which shall be painted by the Board of Managers) and their frames, hardware, glass and saddles, exposed plumbing, gas and heating fixtures and equipment, air conditioning units and compressors, air handlers, lighting and electrical fixtures.

(b) All painting, decorating, maintenance (including the removal of trash, debris, snow and ice), repairs and replacements, whether structural or non-structural, ordinary or extraordinary, to the General Common Elements, whether located inside or outside of the Units (unless necessitated by the negligence misuse or neglect of a Unit Owner, in which case such expense shall be charged to all the Unit Owners as a General Common Expense. Notwithstanding the foregoing, Residential Unit Owners shall paint and generally maintain the Unit side of the door to their Unit opening onto the public corridor.

(c) The interior and exterior surfaces of all exterior windows located in a Residential Unit are to be cleaned by the Unit Owner at the Unit Owner's expense. Broken exterior windows in a Unit shall be replaced by the Board of Managers at the Unit Owner's sole cost and expense, unless the breakage was caused by the Board of Managers or its agents, in which case replacement shall be by the Board at its sole cost and expense.

(d) Any Residential Unit Owner whose Unit has appurtenant thereto a terrace or balcony shall keep such terrace or balcony free of snow, ice and ponding water and shall generally be responsible for the maintenance and repair thereof (excepting structural repairs which shall be the responsibility of the Board of Managers). Notwithstanding the foregoing, all maintenance, repair and replacement to the roofs,

including portions which are roof terraces, shall be undertaken by the Board of Managers and the cost thereof allocated as herein provided.

Section 11. Violations of Maintenance Obligations. In the event any Residential 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 his or her Unit as provided in this Article V 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 (5) days after receiving notice of such default by the Board of Managers, 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 Residential 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 Residential Unit Owner to the Board of Managers and shall, for all purposes hereunder, constitute a Common Charges payable by such Unit Owner.

Section 12. 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) The Residential Units shall be used for dwelling purposes only, except that (i) to the extent permitted by law, home occupation and other ancillary uses are permitted, (ii) while the Declarant owns any Residential Unit, the Declarant shall have the right to use such Residential Unit for general and sales office purposes, as models and for other promotional purposes in connection with the sale or, lease of Residential Units of the Condominium, (iii) a Residential Unit may only be used for professional offices with the prior written consent of the Board of Managers, which shall not be unreasonably withheld, unless such use is prohibited by law.

(b) The Property shall only be used for its intended purposes as provided hereunder and in the Declaration.

(c) No immoral, improper, 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, whoever shall be responsible to maintain or repair, that portion of the Property to which such violations relate.

(d) No portion of any Residential Unit (other than the entire Residential Unit) may be rented and no transient tenants may be accommodated therein.

(e) Rules, regulations and By-Laws concerning the Residential 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 five (5) days prior to the time that they become effective. Any residential rule or regulation may be rescinded by vote of 70% of the Residential Unit Owners at a meeting duly called for that purpose.

(f) Each Unit Owner with respect to its Unit, at its sole expense, shall comply with all laws, orders and regulations of federal, state and municipal authorities and with any direction of any public officer of officers, pursuant to law, and all rules, orders, regulations or requirements of the New York Board of Fire Underwriters, or any other similar body which shall impose any violation, order or duty upon Unit Owner or his Unit; and

(g) The Board of Managers shall comply with all laws, orders and regulations of federal, state and municipal authorities and with any direction of any public officer or officers, pursuant to law, and all rules, orders, regulations or requirements of the New York Board of Fire Underwriters, or any other similar body which shall impose any violation, order or duty upon the Condominium or the General Common Elements.

Section 13. Additions, Alterations or Improvements by Board of Managers. (a) Whenever in the judgment of the Board of Managers the General Common Elements shall require additions, alterations or improvements costing in excess of $100,000, and the making of such additions, alterations or improvements shall have been approved by 70% in number and in Common Interest of all Unit Owners present in person and/or by proxy and voting at a meeting duly held in accordance with these By-Laws (and by the holders of Unit first mortgages, if such approval is required), the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a General Common Charge. Any additions, alterations or improvements to the General Common Elements costing $100,000 or less may be made by the Board of Managers without approval of the Unit Owners, or the holders of Unit first mortgages and the cost thereof (unless paid from the contingency fund) shall constitute part of the General Common Expenses payable by the Unit Owners. So long as the Declarant or its designee shall own any Unit, the Board of Managers may not make any addition, alteration or improvement to the General Common Elements without the Declarant's or its designee's prior written consent, which consent shall not be unreasonably withheld.

Section 14. Additions, Alterations or Improvements by Unit Owners. (a) No Residential Unit Owner shall install any appliance or make any structural addition, alteration or improvement in or to his Residential Unit without the prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed installation or structural addition, alteration or improvement in such owner's Residential

Unit within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed installation, addition, alteration or improvement. Prior to and as a condition of the granting of any such approval, the Board of Managers may, at its sole option, require the Residential Unit Owner to procure and agree to maintain during the course of such work such insurance as the Board of Managers may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Board of Managers, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made, including, without limitation, the indemnity referred to in paragraph (C) hereof and the days and hours during which any such work may be done and requiring the Unit Owner to agree to reimburse the Board of Managers for any architectural, engineering and legal fees or costs it incurs in connection with such approval. Any application to any department of The City of New York or to any other governmental authority for a permit to make an installation, addition, alteration or improvement in or to any Residential Unit shall be executed by the Board of Managers only, without, however, incurring any 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 provisions of this Section 14 shall not apply to a Residential Unit owned by Declarant or its designee.

(b) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law. In connection therewith, the Board of Managers shall promptly execute and deliver all applications for permits and/or all other documents required by any departments of the City of New York, or any other governmental authority having jurisdiction thereof, required in connection with the making of alterations, additions, improvements or repaired in or to a Unit or the Special Residential Limited Common Elements, provided that:

(i) all such work of a structural nature must first be approved by the Board of Managers and Declarant if such approval is required pursuant to the terms of paragraph (a) hereof; and

(ii) the Unit Owners requesting that the Board of Manager execute such application and/or other documents shall sign and deliver an agreement (on the form prepared by the attorneys for the Board and in substance reasonably satisfactory to the Board) indemnifying and holding harmless the Board from any loss, damage, liability, cost and expense by virtue of the execution of such application or other documents.

(c) In addition to the requirements set forth above in this Section 14, until a permanent Certificate of Occupancy is obtained for the Building, no Unit Owner shall make any alteration, addition, improvements, or repair (whether structural or non-structural) in or to his Unit(s) or the Special Residential Limited Common Element without first obtaining Sponsor's written consent. Such consent may be withheld in Sponsor's sole and absolute discretion, and if granted will be conditioned upon complying with Sponsor's reasonable requirements with respect to same.

(d) The 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, 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) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between Units and erecting or modifying certain walls or corridors to allocate a portion of the General Common Elements to the exclusive use of a Unit(s) which area shall then become a Special Residential Limited Common Element, or otherwise and (iv) reapportion among the Units affected by such change in their appurtenant interests in the Common Elements, provided, however, that in each instance there shall be compliance with any and all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

Section 15. Use of Common Elements and Facilities. (a) A Unit Owner shall not place or cause to be placed in the lobbies, vestibules, public halls, stairways, elevators or other Common Elements or common facilities, other than the areas designated as storage areas, any furniture, packages or objects of any kind. The lobbies, vestibules, public halls, stairways and elevators shall only be used for normal transit.

(b) Residential Unit Owners shall require their tradesmen to utilize exclusively the elevators designated by the Board of Managers for transporting packages, merchandise or any other objects which may affect the comfort or well-being of the passengers of the elevators used for transportation of owners, residents and their invitees.

(c) The Common Elements and facilities shall be used only for their intended purposes. No Residential 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 (and the holders of Unit mortgages, if required).

(d) So long as the Declarant owns any Unit, the Declarant shall have the right to maintain general and sales offices on or about the Property, to have the Declarant's employees present on the Property, to use the Common Elements and to do all things necessary or appropriate to sell Units located at the Property, including but not limited to the right to erect and maintain signs on exterior portions of the Building and elsewhere on the Property, but the Declarant shall be obligated to repair and maintain the portions of the Property used by the Declarant for such purpose for so long as such use shall continue.

Section 16. Roof Terraces, Yards and Balconies.

(a) No Residential Unit Owner (other than Declarant) shall resurface the balcony or terrace appurtenant to his Unit without the prior written approval of the Board of Managers. No Residential Unit Owner shall (a) paint, decorate or enclose any

portion of a balcony or terrace, or (b) paint, decorate, alter or replace the exterior of the Residential Unit's windows or the door leading to a balcony or terrace (if any), without the prior written approval of the Board of Managers and Declarant (for so long as Declarant owns any Residential Unit) in each instance. The Board and Declarant are not obligated to give such approval. No Residential Unit Owner shall place upon any balcony or roof terrace, any planters or other object weighing in excess of 250 pounds with the prior written consent of the Board of Managers which shall not be unreasonably withheld or delayed.

(b) All terraces, yards and balconies shall be used in such manner as not to cause unreasonable disturbance, from sources such as noise, odors, smoke or lights (but not limited thereto) to other Unit Owners and occupants of other Units.

(c) The Unit Owner to whose Unit the yard is appurtenant shall be responsible for the maintenance and repair of the rear yard, including the re-surfacing thereof as and when necessary, the cost of which shall be sole responsibility of each such Unit Owner.

Section 17. Right of Access. All Unit Owners shall grant the Managing Agent and/or any other person authorized by the Board of Managers or the Managing Agent a right of access to his Unit for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and which threatens 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 his 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. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Section 18. Water Charges and Sewer Rents. Water shall be supplied to all of the Units and to the Common Elements through a master meter and the Board of Managers shall pay the cost thereof as a General Common Expense together with all related sewer rents arising therefrom, promptly after the bills for same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers (or the managing agent on its behalf) on request of the selling Unit Owner shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Unit as of the date of closing of title to such Unit, and payable by the Board of Managers, promptly after such charges shall have been billed by the City Collector.

Section 19. Gas. Supplementing the provisions of Section 1, gas shall be supplied to the Residential Units through a master meter and the bills therefor shall be paid by the Board of Managers as a General Common Charge.

Section 20. Electricity. Electricity for the General Common Elements and Residential Units will be supplied to the Building through individual meters provided by Con Edison (or a successor public utility company). The cost of all electricity used in connection with the General Common Elements shall be paid by the Board of Managers as a General Common Expense. The cost of all electricity consumed in a Residential Unit shall be paid by the Unit Owner thereof.

Section 21. Removal of Garbage and Refuse. Garbage and refuse removal from the Residential Units shall be conducted in accordance with such rules as the Board of Managers shall enact. The City of New York provides such service initially and the cost, if any, shall be a General Common Expenses. All Unit Owners shall comply with applicable recycling regulations.

ARTICLE VI

Mortgages

Section 1. Notice to Board of Managers. A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Notice of Unpaid Common Charges or Other Default. The Board of Managers, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid Common Charges due, or other default, by the owner of the mortgaged Unit.

Section 3. Notice of Default. Whenever the Board of Managers shall give notice to a Unit Owner of a default in paying Common Charges or other default it shall simultaneously send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board of Managers.

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more often than once a month.

ARTICLE VII

Sales, Leases and Mortgages of Units

Section 1. Sales and Leases. (a) No Residential Unit Owner may sell his Unit or any interest therein except by complying with the following provisions:

Any Residential Unit Owner who receives an offer (hereinafter called an "Outside Offer") for the sale of his Residential Unit together with: (i) the undivided

interest in the Common Elements appurtenant thereto; (ii) 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 the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), which he intends to accept, shall give 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 the proposed contract of sale and such other information as the Board of Managers may reasonably required, and shall offer to sell such Residential Unit, together with the Appurtenant Interest, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the owners of all other Residential 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 Residential Unit Owners that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect, by notice to such Unit Owner, (a) to purchase such Residential Unit, together with the Appurtenant Interest (or to cause the same to be purchased by its designee, corporate or otherwise) on behalf of all other Residential 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 (b) to produce a Purchaser who will purchase such Unit, together with the Appurtenant Interest, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner. In the event the Board of Managers shall elect to purchase such Residential Unit, together with the Appurtenant Interests, or to cause the same to be purchased by its designee, corporate or otherwise, title shall close at the office of the attorneys for the Condominium in accordance with the terms of the offer but not less than forty-five (45) 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 Residential Unit and Appurtenant Interests to the Board of Managers or to its designee, on behalf of all other Residential 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 New York City Real Property Transfer taxes and all other taxes arising out of such sale including, if applicable, the tax on gains from certain real property transfers required pursuant to Article 31-B of the Tax Law of the State of New York and The Foreign Investment in Real Property Transfer Act of 1984. Real estate taxes, mortgage interest and Common Charges and Expenses shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of the closing date. In the event the Board of Managers or its designee shall fail to accept such offer or to produce a purchaser within thirty (30) days as aforesaid or fails to act within said thirty-day period, the offering Unit Owner shall be free to contract to sell such Residential Unit, together with the Appurtenant Interests, within sixty (60) days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, to 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 and in the proposed contract of sale submitted therewith. Any such deed to an Outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws

and the Rules and Regulations, as the same may be amended from time to time. In the event the offering Unit Owner shall not, within such sixty (60) day period, contract to sell such Residential Unit, together with the Appurtenant Interests, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell his Unit and the Appurtenant Interests within such sixty (60) day period, but such sale shall not be consummated pursuant to the terms of such contract within one hundred eighty (180) days after the date of such contract, then should such offering Unit Owner thereafter elect to sell such Residential 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 1 of this Article VII.

Any purported sale of a Residential Unit in violation of this Section shall be voidable at the election of the Board of Managers. The granting of an option to purchase a Residential Unit shall be deemed to be a sale of the Residential Unit and the provisions of this Section shall apply thereto.

(b) No Residential Unit Owner may lease his Unit except by complying with the following provisions:

Any Residential Unit Owner who receives an offer for a lease of his Unit which he intends to accept shall give notice to the Board of Managers of such offer and of such intention, 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, but not limited to a copy of the proposed lease. The Board of Managers shall from time to time prescribe a form upon which the aforesaid information shall be listed.

Any such lease shall be consistent with these By-Laws. The tenant shall not sublet the demised premises, or any part thereof; the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of a default by the tenant in the performance of such lease, and the Board of Managers shall have the right to terminate the lease on not less than thirty (30) days' prior written notice upon foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York. Except as herein before set forth, the form of any such lease shall be the then current form of apartment lease recommended by The Real Estate Board of New York, Inc. with such modifications as shall be approved in writing by the Board of Managers or on such form as then proscribed by the Board of Managers.

(c) The provisions of this Section 1 of Article VII shall not apply to any Unit owned by Declarant or its designee. No transfer fee or similar charge shall be made against the Declarant or its designee with respect to any such transfer, sale or lease.

Section 2. Consent of Unit Owners to Purchase of Residential Units By Board of Managers. The Board of Managers shall not exercise any option hereinabove

set forth to purchase any Residential Unit without the prior approval of a majority of the Residential Unit Owners.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein 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 interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, 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 4. Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 1 of this Article VII may be released or waived by the Board of Managers, only in writing, in which event the Residential Unit, together with the Appurtenant Interests, may be sold, conveyed or leased free and clear of the provisions of such Section.

Section 5. Certificate of Termination of Right of First Refusal. A certificate, executed in recordable form and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VII 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 Section 1 of this Article VII or in respect to whom the provisions of such Section have been waived subject to payment of processing fee as may be imposed by the Board.

Section 6. Financing of Purchase of Residential and Storage Units by Board of Managers. Acquisition of Residential Units by the Board of Managers, or its designee, on behalf of all Residential 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 Residential Unit Owner in proportion to his/her ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Sections 6 and 7 of Article V, or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Residential Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Residential Unit, together with the Appurtenant Interest in the Common Element, so to be acquired by the Board of Managers.

Section 7. Exceptions. The restrictions set forth in the provisions of Section 1 of this Article VII shall not apply with respect to (a) any sale or conveyance by a Unit Owner of his Unit, together with the Appurtenant Interest in the Common Elements, to his spouse or to any of his adult children or grandchildren or to his parents or grandparents or his brothers or sisters, or any one or more of them, or (b) the sale or lease of a Residential Unit owned by the Declarant or its designee or (c) the acquisition, sale or lease of a Unit, together with the Appurtenant Interest in the Common Element, by a bona fide mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure.

Section 8. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit and Appurtenant Interests by gift, or to devise his Unit and Appurtenant Interests by will, or to pass the same by intestacy, without restriction.

Section 9. 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 10. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 11. Mortgage of Units. Each Residential Unit Owner shall have the right to mortgage his Unit without restriction provided that (i) any such Residential Unit mortgage shall be substantially in the form of the New York statutory form of mortgage, or in such form as an institutional lender (bank, trust company, insurance company or savings and loan association) shall require, (ii) the Board of Managers is notified in writing of the making of the mortgage and receives a conformed copy of the mortgage and note, (iii) the mortgage states that if consent by the mortgagee is required to any amendment of the Condominium Declaration and By-Laws such consent will not be unreasonably withheld or delayed, and (iv) the Unit Owner making such mortgage first pays all assessments and Common Charges previously assessed by the Board of Managers against the Unit and satisfies all unpaid liens against the Unit, except for the lien of a permitted mortgage. The Declarant and its designee shall have the right to mortgage their respective Units without restriction or limitation.

ARTICLE VIII

Condemnation

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers if such award amounts to $100,000 or less and to the Insurance Trustee if such award amounts to more than $100,000. If 75% or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements the Board of Managers shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that 75% or more of Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of these By-Laws.

ARTICLE IX

Records

Section 1. Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. An annual report of the receipts and expenditures of the Condominium audited by an independent certified 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. Records of the Board of Managers shall be kept at its offices at the Property and shall be available for inspection by all Unit Owners and other interested persons.

ARTICLE X

Miscellaneous

Section 1. Notices. All notices hereunder shall be sent by registered or certified mail to the Board of Managers c/o the Managing Agent, or if there be no managing agent, to the office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time, by notice in writing to all

Unit Owners and to all mortgagees of Units. All notices to any Unit Owner shall be sent by registered or certified mail to the Building or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers, except that notices of an annual meeting pursuant to Article III, Section 4 may be sent by regular mail. All notices to 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 when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. 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 3. 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 4. Gender. The use of the masculine gender in these By-Laws shall be deemed to be the feminine or neuter gender and the use of the singular shall be deemed to be the plural, whenever the context so required or admits.

Section 5. 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.

Section 6. Insurance Trustee. The Insurance Trustee shall be a bank or trust company in The City of New York, designated by the Board of Managers and having a capital, surplus and undivided profits of $100,000,000 or more. In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank or trust company in the City of New York, designated by the Board of Managers and having a capital surplus and undivided profits of $100,000,000 or more. The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a General Common Expense of the Condominium.

ARTICLE XI

Amendments to By-Laws and Rights of Declarant

Section 1. Amendments to By-Laws. Except as otherwise provided herein, these By-Laws may be modified or amended by the vote of at least seventy (70%) percent in number and in Common Interest of all Unit Owners at a meeting of Unit Owners daily held for such purpose, but only with the written approval of the holders of Unit mortgages, if such approval is required.

The following provisions of these By-Laws may not be amended without the consent in writing of the Declarant, so long as the Declarant shall be the owner of one or more Residential Units:

A. Section 1 of Article II insofar as it provides that the Declarant, so long as the Declarant is the owner of Residential Units, shall be entitled to elect members of the Board of Managers.

B. Section 2 of Article II insofar as it provides that the Board of Managers may not exercise certain powers without the Declarant's prior written consent.

C. Section 4(b) of Article II.

D. Section 5 of Article II relating to removal of Declarant's designees.

E. Sections 15 and 16 of Article II insofar as they provide for representation of the Declarant, so long as it is the owner of one or more Units, on any committee created by the Board of Managers.

F. Section 8 of Article III insofar as it provides that the Declarant, so long as the Declarant is the owner of one or more Units, may vote the votes appurtenant thereto;

G. Sections 1 and 2 of Article V insofar as it provides for allocation of certain expenses and insurance requirements.

H. Section 13(c) of Article V.

I. Section 14 of Article V insofar as each provides that the provisions of such Section shall not apply to any Unit owned by the Declarant or its designee who shall have the right to make alterations, additions and improvements thereto and to subdivide and combine Units and alter the boundary walls thereof without the consent of the Board of Managers, other Unit Owners or the holder of Unit mortgages;

J. Section 15(d) of Article V insofar as it provides for the right of the Declarant to use the Common Elements and to do all things necessary and appropriate to sell unsold Units;

K. Section 1(c) of Article VII and Section 7 of Article VII insofar as it provides that the provisions of Section 1 of Article VII shall not apply with respect to a sale or lease of a Residential or Storage Unit owned by the Declarant or its designee or to the sale or lease of any Commercial Unit; and

L. All or any portion of Sections 1, 2 or 3 of this Article XI.

Section 2. Declarant's Rights. The rights contained in this Declaration and these By-Laws in favor of Declarant or Sponsor or the designee of either shall inure to the benefit of any successor or assign thereof and any successor, purchaser or transferee of a Unit designated as a successor, assign or designee thereof in the specific deed affecting the conveyance thereof.

Section 3. Use Changes. Notwithstanding anything to the contrary herein contained, no provision of these By-Laws relating to the use of the Units may be amended without the consent of every Unit Owner affected by such amendment, nor shall these By-Laws be amended so as to adversely effect the rights, privileges, duties and obligations of each Unit Owner unless the Unit Owner adversely affected gives his written consent to such Amendment.

ARTICLE XII

Conflicts

Section 1. Conflicts. 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.

EXHIBIT A

RULES AND REGULATIONS

One. Unit Owners will not clean, nor require, permit, suffer or allow any windows to be cleaned from the outside in violation of Section 202 of the Labor Law or of the rules of the Board of Standards and Appeals or of any other board or body having or asserting jurisdiction.

Two. No article shall be placed in any of the halls or on any of the staircases or fire tower landings, nor shall any fire exit be obstructed by any object. Nothing shall be hung or shaken from the doors or windows or placed upon the window sills or any other exterior surface of the Building.

Three. Children shall not play in the public halls, basement space, Building exits, Building entrances, elevator vestibules, stairways, roof or roof landings, fire tower, elevators or other common areas.

Four. No hallway or elevator vestibule of the Building shall be decorated or furnished by any Unit Owner in any manner except upon written consent of the Board of Managers.

Five. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

Six. No window fans, terrace or balcony enclosures, window air-conditioner or awnings shall be used or installed in or about any Residential Unit except such as shall have been approved in writing by the Board of Managers.

Seven. No radio or television aerial shall be attached to or hung from the exterior of the Building and no awning, sign, notice, display, advertisement or illumination shall be inscribed or exposed on or at any window of, or on or at any terrace or balcony of a Residential Unit except such as shall have been approved in writing by the managing agent on behalf of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board of Managers or the managing agent. No consent shall be necessary for any sign, notice, advertisement or illumination the Declarant may place on or at any window of a Residential Unit owned by Declarant or its designee; nor shall anything be projected from any window of a Residential Unit without similar approval.

Eight. Each Unit Owner shall keep any such approved appliance from protruding from the window of a Unit and in good appearance and mechanical repair. No Unit Owner shall permit any appliance to leak condensation, or to make any noise or odor which may unreasonably disturb or interfere with the rights, comforts or conveniences of any other occupant of the Building. The Board of Managers or the managing agent, in

their discretion, may remove such appliance from the Unit, charging the cost of removal to the Unit Owner, and the appliance shall not be replaced until it has been put in proper condition and only with the further written consent of the Residential Committee.

Nine. All radio, television of other electrical equipment of any kind of 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 an radio, television or other electrical equipment in such Unit Owner's Unit. No Unit Owner shall use any electrical equipment which shall interfere with television or radio reception.

Ten. No bicycles, scooters, baby carriages or similar vehicles shall be allowed to stand in the public halls, passageways, courts or other public areas of the Building.

Eleven. No Unit Owner shall make or permit any disturbing noises in the Building, or do or permit anything to be done therein which will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph or a radio or television set or other loud speaker in such owner's Unit, 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 ten P.M. and the following nine A.M.

Twelve. No bird, reptile, or other animal shall be permitted, kept or harbored in any Unit (except for one dog or one cat in any Residential Unit) unless the same in each instance be expressly permitted in writing by the Board of Managers or the managing agent and such consent, if given, shall be revocable by the Board of Managers or the managing agent in their sole discretion, at any time. In no event shall any bird, reptile, dog, cat or other animal be permitted in any elevators, other than the elevator designated by the Board of Managers or the managing agent for that purpose, or in any of the public portions of the Building, unless carried or on leash. Any pets approved by Board that are not carried shall be transported only in the elevator designated by the Board of Managers or the managing agent for that purpose.

Thirteen. Servants, messengers and tradespeople shall use the elevator designated by the Board of Managers or the managing agent for that purpose, for ingress and egress, and shall not use any of the other elevators for any purpose, except that nurses in the employ of Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Unit Owners, their guests or tenants. However, a guest of a Unit Owner or a tenant may use any of the elevators freely.

Fourteen. Supplies, goods and packages of every kind are to be delivered to Units only through the entrance of the Building designated by the Board of Managers, or the managing agent and by the elevator designated by the Board of Managers or the managing agent for that purpose. Trucks and heavy baggage shall e taken in or out of the Building by the elevator designated by the Board of Managers or the managing agent or the manager for that purpose, and through the designated entrance only.

Fifteen. No bulky refuse from the Residential or Commercial Units shall be left for disposal in the public halls of the Building.

Sixteen. 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 in to the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

Seventeen. No occupant of the Building shall send any employee of the Board of Managers or of the managing agent out of the Building on any private business.

Eighteen. The agents of the Board of Managers or the managing agent, and any contractor or workman authorized by the Board of Managers or the managing agent, may enter any Unit in the Building at any reasonable hour of the day with prior notice 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.

Nineteen. Corridor doors and roof doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

Twenty. The Board of Managers or the managing agent may retain a pass-key to each Unit.

Twenty-one. No vehicle belonging to a Unit Owner or to a member of the family or guest, tenant or employee of a Unit Owner shall be parked in such manner as to impede or prevent ready access to the Building entrance or exit.

Twenty-two. The Board of Managers or the managing agent may from time to time curtail or relocate any space devoted to storage or service purposes in the Building.

Twenty-three. Complaints regarding the service to the Building shall be made in writing to the Board of Managers or to the managing agent.

Twenty-four. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board of Managers.

Twenty-five. Clothes and other articles shall not be dried or aired on the roof, from the windows, terraces or balconies.

Twenty-six. No garbage cans, ice, mats or other articles shall be placed in the halls or on the staircase landings, nor shall anything be hung from the windows, or placed upon the window sills. No linens, cloths, clothing, curtains, rugs or mops be shaken or hung from or on any of the windows or doors.

Twenty-seven. Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush or tie into tight bundles all loose papers before placing the same in the hopper door; (e) cause all bundles of waste to slide out of the hopper into the chute; (f) refrain from depositing waste of an explosive nature therein.

Twenty-eight. Except for owners of Units having roof terraces, if any, Unit Owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

Twenty-nine. Unit Owners shall not cause or permit any unusual or objectionable noise, odors or substances to be produced upon or to emanate from their Units.

Thirty. No Unit Owner or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for normal household or professional office use.

Thirty-one. If any key or keys are entrusted by a Unit Owner or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the Board of Managers or of the managing agent, whether for such Unit Owner's Unit or an automobile trunk or other item of personal property, the entrusting of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the managing agent shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

Thirty-two. No Unit owner shall affix any equipment or other personal property to any terrace or balcony, nor permit any equipment or personal property to remain upon a terrace or balcony which could with the passage of time, cause structural damage to the same, or damage to the surface of such terrace of balcony. A Unit Owner shall not paint, tile, carpet, install decking, or otherwise alter or modify the surface of any terrace or balcony. No planters shall be permitted to remain on any terrace or balcony unless suitable drainage containers of facilities (approved by the Board of Managers) are

provided to prevent ponding water. No load shall be placed upon any roof terrace or balcony that exceeds 100 pounds per square foot live load.

Thirty-three. No ivy or similar creeping plant shall be permitted to attach to any portion of the Building.

Document No. 7

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COUNSEL'S TAX OPINION LETTER

April 15, 2005

The Board of Managers of
The 331 East 8th Street Condominium
c/o 331 e 8 Associates LLC
40 Worth Street
New York, New York 10013

Re: Offering Plan for the Conversion to Condominium Ownership of Premises: 331 East 8th Street, New York, New York

Gentlemen:

You have requested my opinion concerning (i) the availability of certain deductions for Federal, New York State, and New York City Income Tax purposes to persons who purchase units for residential use ("Unit Owners") under the Offering Plan for THE 331 EAST 8TH STREET CONDOMINIUM (the "Plan"), and (ii) the Federal Income Tax Treatment of the Common Charges received by the condominium association of the condominium (the "Condominium").

In connection with rendering this opinion, I have reviewed the Plan, the Schedules and Exhibits thereto, the Declaration of the Condominium Plan (the "Declaration"), the By-Laws of the Condominium (the "By-Laws"), the relevant sections of the International Revenue Code of 1986, as amended (the "Code"), the Regulations promulgated thereunder by the Treasury Department (the "Treas. Regs."), the New York State Tax Law, the Administrative Code of the City of New York, revenue rulings, relevant case law and such other materials as I have deemed relevant.

FACTS

You have advised me that, to the best of your knowledge, the following statements are an accurate summary of the relevant facts, and my opinion is conditioned upon the accuracy of such facts.

The Sponsor will apply to the Office of the Attorney General of the State of New York to establish the premises located at 331 East 8th Street, New York, New York, as to a

Condominium pursuant to the provisions of New York's Condominium Act. (See Article 9-B of the Real Property Law of the State of New York.) This condominium shall consist of five (5) Units allocated for residential use. Each holder of a Unit will own his own Unit plus an interest in the elements common to all Units (the "Common Elements"). Each Unit owner will be entitled to the exclusive ownership and possession of his Unit and will receive a separate deed to the Unit.

The Condominium will be operated by a Board of Managers which, pursuant to the By-Laws, will act only as an agent of all Unit Owners. The Board of Managers will be comprised of at least three (3) members, who shall each be elected by the Unit Owners. The primary function of the Board of Managers will be to supervise the maintenance and operation of the Common Elements, and collect charges (the "Common Charges") necessary to maintain and operate the Common Elements.

DISCUSSION

I. Deductibility of Mortgage Interest and Real Estate Taxes

Under the Condominium Act, each Unit Owner will own his/her Unit and its appurtenant interest in the Common Elements in fee simple, and each Unit will be taxed as a separate tax lot for real estate tax purposes. Each Unit Owner may mortgage his Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. Failure to pay his or her share of the Common Charges will result in the Board of Managers having a lien on the Unit for the unpaid Common Charges.

The deductibility of the mortgage interest and real estate taxes paid or accrued by the Unit Owner during his or her taxable year will be governed by sections 163 and 164 of the I.R.S. Code. Section 163 of the Code allows a taxpayer to deduct all interest paid or accrued during the taxable year on Bona Fide indebtedness. Section 164 of the Code allows a taxpayer to deduct real estate taxes paid or accrued during the taxable year.

Since Sections 339-g and 339-y of the Condominium Act provide that each Unit and its common interest shall be taxed as a separate tax lot for real estate purposes, Unit Owners shall be entitled to deduct real estates tax paid or incurred on their Units during the taxable year.

The deduction under Section 163 of the Code for interest is subject to certain other provisions of the Code which may limit the amount of the deduction in any one taxable year. For example under Section 461(g) of the code, prepaid interest is not deductible by a cash basis taxpayer in the year of payment but must be allocated to the taxable year or years to which it is chargeable. However, the payment of "points" (bank obligation fee) is deductible under certain circumstances in the year of payment, provided that the indebtedness was incurred by the taxpayer in connection with the purchase or improvement of his principal residence, and the other requirements of Code Section 461 (g) (2) are complied with.

I note that the taxpayer who purchases a Unit for investment may find his interest deduction limited by Code Section 163(d). Under this Section a taxpayer other than a corporation will be subject to a ceiling on his deduction for investment interest. Investment interest is defined as interest paid or accrued on indebtedness incurred or continued to purchase or carry property for investment. To the extent that the taxpayer has investment income (defined as the gross income from interest, dividends, rents, royalties, net short term capital gains and recapture income), he or she increases his or her ceiling on the deduction for investment interest. See generally Code Section 163 (d). I also note that Code Section 265(2) may impact on the interest deduction otherwise allowable to a taxpayer in the event that he/she incurs debt to finance his/her purchase of a Unit rather than liquidate his or her portfolio of tax exempt securities. Under these circumstances Code Section 265(2) may disallow the taxpayer's interest deduction since he or she would be deemed to have incurred the debt to "continue to carry" the tax exempt obligations. However, revenue rulings have made an exception for debt incurred to purchase the taxpayer's principal residence.

In Revenue Ruling 64-31, 1964-1 C.B. 300, the Internal Revenue Service (the "Service") considered the deductibility of mortgage interest and real estate taxes incurred by the owner of a condominium unit. The Service ruled the Sections 163 and 164 of the Code, respectively, permitted these deductions by the Condominium Unit Owner provided that he or she itemized his or her deductions in filing his or her Federal income tax returns.

In my opinion, under Code Sections 163 and 164 respectively, a Unit Owner will, for Federal Income Tax purposes, be entitled to a deduction for interest paid or accrued with respect to mortgage indebtedness and for real estate taxes paid or accrued with respect to his or her method of accounting.

It is also my opinion that each Unit Owner will, for New York State and New York City Income Tax purposes, be entitled to the same deduction which is allowed for Federal Income Tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. See Section 615 of the New York State Tax Law. It should be noted, however, that for New York City Income Tax purposes, the benefit of such deduction may be reduced if the Unit Owner has more than the specified amount of tax preference items. See Section 515,622 and 623 of the New York State Tax Law; Section T46-115.00, T46-122.0 and T45-123.0 of the City Code.

The foregoing discussion applies primarily to residential unit owners. Referenced sections of the IRS code are not applicable to owners of commercial units. However, insofar as the owners of the commercial units will be using the unit for business purposes, other sections of the code may allow such deductions. Purchasers of commercial units are strongly urged to consult with their own accountants with regards to the deductibility of the mortgage interest and real estate taxes.

II. Common Charges – Federal Income Taxation of the Condominium:

A Condominium under New York law is not a corporation but an un-incorporated association.

The Treasury Regulations in Section 301.7701-2(a) (i) set forth six factors to be considered in determining whether an association will be treated as an un-incorporated association for Federal Income Tax purposes. Of these factors, the Condominium possesses five (an objective to carry on business, divide the gains, centralization of management, continuity of life, free transferability of interest). Since an un-incorporated organization will be treated as a corporation if it has more corporate characteristics than non-corporate characteristics, (see Treas. Regs. Section 301.7701-2(a) (3), Philip G. Larson, 66 T.C. 159 (1976) acq.., Rev. Rul. 79-106, 1979-1 C.B. 448), it is my opinion that, although there exists no direct authority on this point, the condominium will be treated as an association taxable as a corporation for Federal Income tax purposes. In such event, and in the absence of any specific exception, the Condominium would be subject to Federal Corporate Income Tax.

Assuming that the Condominium is treated as an association taxable as a corporation, the receipt of substantially all of Common Charges, may be excluded from the income of the Condominium in the event that (i) the Condominium is acting as agent of the Unit Owners as to collection and receipt of such funds; or (ii) the Condominium is not acting as agent and receives the Common Charges as non-taxable contributions of capital, or receives the Common Charges as service income which is fully offset by the Condominium's service expenses; or (iii) the Condominium elects to be taxed under Code Section 528 and the Condominium has only "exempt function income" within the meaning of such Section.

In Revenue Ruling 75-370, 1975-2 C.B. 257 the shareholders of a condominium management corporation approved special accounts which were not co-mingled with the general funds of the condominium management association. The assessments could be used only to replace the roof and the elevators located in the common elements of the condominium property. The I.R.S. ruled that these special assessments were not includable in the Condominium's gross income since they did not benefit the condominium which had a fiduciary obligation to expend the funds collected in the manner approved by its unit owner-stockholders. The I.R.S. found that there was an agent and principal relationship between the condominium and its unit owner-stockholders insofar as the special assessments were concerned. However Rev. Rul. 75-370 specifically exempted funds collected by a condominium management corporation to provide services for which it was formed such as the maintenance of the common elements. Thus, funds collected by the Board for painting, general repairs, gardening and janitorial services would constitute gross income to the Condominium.

The By-Laws provide that the Board of Managers will act as the agent of the Unit Owners. If Common Charges for special capital improvements are specifically designated for capital improvements, deposited in special accounts and not commingled

with the general funds, then such Common Charges should not be included in the income of the Condominium, according to Revenue Ruling 75-370, supra. Common charges for operational expenditures would not be excluded from the income of the Condominium, because the Board of Managers does not have mere ministerial powers with respect to the operations of the Condominium.

Under certain circumstances, special assessments for specific capital improvements may be considered non-taxable contributions to the capital of the association, pursuant to Code Section 118. In Revenue Ruling 75-371, 1975-2 C.B. 52, the condominium management collected special assessments, which were assessed pro-rate upon each unit owner to replace outdoor furniture. The By-Laws required that any assessment had to be approved at a stockholder meeting by a majority vote of the unit owner-stockholders. The special assessment was approved and the proceeds were deposited in a special account and were not commingled with the general assessment funds. The assessment could only be used for the specific purpose intended. The Service held that the Special Assessment was a non-taxable contribution to the capital of the condominium management corporation. Id.: See also Rev. Rul., 74-563, 1974-2 C.B. 38 (special assessments to pave a parking lot of the homeowners association are contributions to the capital of the associations).

Under this Plan the Unit Owners must approve all special improvements. Therefore, as to such amounts of Common Charges which are specifically designated for capital improvements, deposited in special accounts and not commingled with the general funds, such Common Charges should not be characterized as income of the condominium, according to Revenue Ruling 75-371, supra but would constitute contributions to the capital of the Condominium. Even if a special capital assessment is not specifically voted upon and approved by the Unit Owners of the Condominium, there is judicial authority which would support the characterization of such assessment as capital contribution. See, Concord Village, Inc., 65 T.C. 142 (1975).

It should be noted that if the special assessment are treated as contributions to the capital of the Condominium, the subsequent expenditure of these funds (together with any other funds accumulated by the Condominium) may be viewed by the Service as a distribution to the Unit Owners, taxable under Section 301 of the Code. Each Unit Owner may therefore be subject to tax on his pro-rate share of the amounts expended. Rev. Rul. 75-371 went on to distinguish special assessments from assessments collected for the purpose of normal operating expenses and excess assessments, which could be returned directly to the individual unit owner-stockholders. These general assessments and the excess assessments which are not credited to subsequent taxable years or returned to the unit-owners, were held to constitute gross income to the condominium under Section 61 of the Code. I note, however, that to the extent to which the Condominium will be deemed to have functions, it will be entitled to deduct as business expenses its income. See Concord Village, Inc., 65 T.C. 142, 157 (1975); Park Place, 57 T.C. 767, 778 (1972). Thus, it will have taxable income only in the amount of the excess of its income from all sources over its allowable deductions.

Any net income attributable to over-assessments might constitute taxable income of the Condominium for the year of receipt, even if such excess is distributed or applied to the subsequent year's assessments. In effect, a management association will not earn income when it has no discretion as to the application of the excess, and, conversely, will have income where it does have such discretion. Since the Board of Managers will have discretion as to application of excess Common Charges, and does not intend to return excess Common Charges, if any, but intends to apply such excess to the next year's expenditures, it is possible that any excess Common Charges will constitute taxable income to the Condominium.

Code Section 528 provides a tax exemption for an organization that qualifies as a "homeowners association" which term includes a "condominium management association". A "condominium management association" is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance, and care of a condominium, provided substantially all of the units are used by individuals for residences. See Code Sections 528(c) (1) (A), and 528 (c) (2). "Substantially all" the units will be considered used by individuals for residences if at least 85% of the total square footage of all units within the project is used, or is intended to be used, by individuals for residential purposes or purposes auxiliary to residential use, such as storage rooms, laundry and maintenance areas. See Treas. Regulations, Section 1.528-4(b). The organization itself will be considered "organized and operated" for the acquisition, construction, management, maintenance, and care of such condominium, if the facts and circumstances indicate such to be the case. The Treas. Regs. Section 1.528-2. However if the articles of the Condominium reflect that is the purpose of the association, then the condominium management association will be presumed to be operated for such purpose. See Tres. Regs. Section 1.528-2(a).

In addition to the organization and operation test, the tests set forth below must be satisfied under code Section 528(c) (1) in order for a condominium to qualify as a "homeowner's association".

(1) Sixty percent (60%) or more of the gross income of the organization must be "exempt function income," that is, income derived from the payment of dues or fees from the residential unit owners in their capacity as owner-members rather than in the capacity as customers for services. Code Section 528(c) (1) (A) and Treas. Regs. Section 1.528-5 and 1.528.9. "Exempt function income" includes income which is attributable to assessments that arise as a result of the members' ownership interest, either based on value or size of their units, and used for the purpose of enhancing or maintaining the value of the residences. See Treas. Regs., Section 1.528-9(a). For example, the regulations indicate that assessments for the purposed of paying real estate taxes, removing garbage, or removing snow is "exempt function income". See Treas. Regs. Section 1.528-9(b). Income attributable to the use of laundry machines and interest earned on sinking funds is not exempt function income; See Treas. Regs. Section 1.528-9(c). Any assessments attributable to special capital improvements, which are treated as capital contributions, are not included in gross income, and therefore, are not part of the calculation of the gross income test. See Treas. Regs. Section 1.528-9(a).

(2) Ninety percent (90%) or more of the expenditures of the organization for the taxable year must be used for the acquisition, construction, management, maintenance and care of the organization's property. See Code Section 528 (cc) (1) (C). These expenditures include operating and capital expenditures during the taxable year. Investments in reserve funds for future expenditures are not included in this calculation.

(3) No part of the net earnings of the organization may inure to the benefit of any individual. See Code Section 528(c) (1) (D). The Code expressly excludes benefits received by a unit owner attributable to the homeowners association performing its exempt function, such as the benefit from the homeowners association acquiring, constructing, managing, maintaining and taking care of the association property.

(4) The organization must properly and timely elect to have Code Section 528 apply for the taxable year. See Code Section 528(c) (1) (E).

Based upon my understanding of the matter it is my opinion that the Condominium will be eligible to qualify as a homeowners association within the meaning of Code Section 528 (c) (1) and that, to the extent the condominium has income in excess of its expenses, that income will not be subject to federal income taxation.

III. REAL ESTATE TAX BENEFITS:

I have reviewed the letter (heretofore set forth in this Offering Plan) from the sponsor's expert concerning the availability of real estate tax abatement and exemption benefits for this project. Based on existing statutes and practices, the opinions expressed therein appear to be correct, and I hereby adopt said opinion as my own. This adoption is, of course, subject to the accuracy of the facts supplied to said expert in rendering his determination and facts supplied to said expert in rendering his determination and also subject to any change in existing statutes which may affect my evaluation and interpretation of the availability of such benefits. This is not a warranty that such benefits will be obtained but only an opinion based on the existing laws, regulations, and facts, this Condominium project will qualify for such benefits.

IV. Compliance With RPL Section 339 (i):

I have received and reviewed the letters heretofore set forth from the Sponsor's expert concerning allocation of the common interest to the units in the premises. The allocations have been made based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use and the overall dimensions of the particular Unit, pursuant to section 1(iv) of Section 339-i of the RPL. The method employed is permissible pursuant to the RPL and is in compliance therewith.

CONCLUSION

I express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those tax consequences and aspects explicitly discussed in this opinion, or as to the tax consequences of the Plan under the laws of any other State or foreign jurisdiction. This opinion does not discuss the tax consequences which may result from the ownership or the leasing of a Unit to another, in connection with Unit Owner's trade or business, for purposes of investment, or for the production of income, or tax consequences which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not consider the tax consequences which may arise if Units are acquired and/or leased by the Board of Managers, or the issue of whether a Unit Owner may be deemed to be a resident of New York State due to ownership of a Unit. I, therefore, advise each person contemplating the purchase of a Unit to consult his/her own tax advisor as to all such tax matters, as well as with respect to the tax matters discussed in this opinion.

The opinions expressed herein are based solely upon my current understanding and interpretation of the existing law, regulations, decided cases and rulings of administrative agencies and upon information set forth herein. If there has been any misstatement of a fact or omission of any fact which may be material, or any amendment of exchange in the By-Laws or the Plan, we should be notified, since any such omission, misstatement or change may require modification of part or all of this opinion. Moreover, it should be specifically noted that this opinion is not binding on the Internal Revenue Service, the New York State Department of Taxation and Finance, or the New York City Department of Taxation, and that such entities may not agree with any or all of the views stated above. Further, the Federal and State Tax Laws and Regulations and the rulings and decisions thereunder may change and thereby effect the views stated above in whole or in part.

NO WARRANTIES ARE MADE THAT THE INTERNAL REVENUE SERVICE, THE DEPARTMENT OF TAXATION AND FINANCE OF THE STATE OF NEW YORK OR THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK WILL ALLOW INCOME TAX DEDUCTIONS, FURTHER, NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE TAX LAWS UNDERLYING THIS BASE THEIR OPINION WILL NOT CHANGE AND IN NO SUCH EVENT WILL THE SPONSOR-SELLER, THE SPONSOR-SELLER'S COUNSEL, THE CONDOMINIUM BOARD, THE SELLING AGENT OR ANY OTHER PERSON CONNECTED WITH THIS OFFERING BE LIABLE IF FOR ANY REASON IT SHALL BE DETERMINED THAT UNIT OWNERS DO NOT MEET OR AT ANY FUTURE TIME CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE OF 1986, THE NEW YORK TAX LAW OR THE NEW YORK CITY ADMINISTRATIVE CODE OR ANY AMENDMENT OF ANY THEREOF. MOREOVER, NONE OF THE AFORESAID MAKES ANY WARRANTIES WITH RESPECT TO THE TAX CONSEQUENCES OF THE OWNERSHIP OF ANY UNITS OFFERED UNDER THE PLAN EXCEPT AS EXPRESSLY SET FORETH HEREIN,

AND NO ONE ELSE HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED HEREIN.

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

Very truly yours,

CRAIG F. MELTZER

Document No. 8

TAX OPINION REGARDING 421-a REAL ESTATE TAX BENEFITS

MOSESON & ASSOCIATES
769 Empire Avenue
Far Rockaway, NY 11691

Telephone (718) 327-5779
Fax (718) 327-5737

April 15, 2005

331 East 8 Associates, LLC
c/o William Lozito
40 Worth Street
New York, New York 10013

RE: 5 residential units 331 East 8th Street, Manhattan
Block: 391 Lot:44

Dear Sir:

You have requested me to advise you with respect to the applicability of The City of New York's program for partial real estate tax exemption under Section 421-a of the Real Property Tax Law and the procedure therefore.

You and your architect have represented to us that:

1. You will commence construction on the site of the building based on approved New Building permit issued by the Department of Buildings of the City of New York before January 1, 2006.

2. Upon completion of construction, the Building will be classified as a multiple dwelling pursuant to the Multiple Dwelling Law.

3. The Site was underutilized 36 months prior to the commencement of construction (as defined in the site requirements of section 2.6(1) (a) of the Regulations).

4. The building will be substantially used for dwelling purposes for a period of at least ten years following its completion.

5. Construction of the building will be completed on or before Dec 31, 2009.

6. An application for Preliminary Certificate of Eligibility will be filed with HPD

7. Upon completion, the project will consist of a condominium consisting of five residential units.

CONCLUSION

Based solely on these representations, and if (i) the building is constructed substantially in accordance with the plans and specifications approved by the New York City Department of Buildings and comply with the requirements of section 421-a, the Regulations and HPD, and HPD is notified of any modifications to the plans for the building or the "sell-out" price; (ii) HPD determines that the property was "underutilized" (pursuant to the provisions of Section 421-A) 36 months prior to commencement of construction; (iii) a preliminary Certificate of Eligibility is issued by HPD after commencement of construction and prior to the issuance of a temporary Certificate of Occupancy; (iv) temporary Certificates of Occupancy for all of the residential areas of the building or permanent Certificates of Occupancy for the building is issued and filed with HPD no later than six months after an application for a Final Certificate of Eligibility is filed with HPD, or prior to December 31, 2009 which ever is earlier; (v) a copy of such Final Certification and of the temporary or permanent Certificate of Occupancy for the residential units is filed with the New York City Department of Finance succeeding the issuance of such Final Certificate of Eligibility; and (vi) there is no change in Section 421-a, the Regulations and decisional law, the Building would appear to be eligible for the partial real estate tax exemption prided under Section 421-a.

The units of the condominium should be entitled to Section 421-a tax benefits under present law. Generally, for predominantly residential buildings, under section 421-a, 100% of the increased assessed value of the property resulting from the improvement thereon (i.e., the assessed value above the pre-construction assessed value) is exempt from taxation during construction and during the two (2) years following the first taxable status date immediately following completion of construction. The exemption declines to 80% of the increased assessed value for the next two years and is further reduced by an additional 20% for each two (2) year period of the succeeding years. Following the 10-year period, the Unit Owners will pay real state taxes based on the full assessed valuation of their Units and the tax rate then in effect, without the benefit of any exemption.

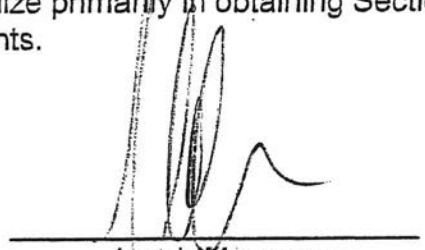
The total assessed value of the property (i.e., the aggregate assessment of all units) following completion of construction is estimated to be approximately 808,775. Using the foregoing estimate of assessed value upon completion, assuming completion to be on or before Dec 31, 2009 and assuming the tax rate remains the same as the current rate (i.e., $12.216 per $100 of assessed value) during the 10 year abatement period , and using a pre-construction assessed value of the property of 88,650.00, upon completion of the 10 year tax abatement the real estate taxes will be approximately $98,800.00. You are advised that this projection is an estimate as it is unlikely that the post-construction assessed value or tax rate will remain constant for the 10- year Section 421-a exemption period. Thus, the actual assessment and real estate tax for each Unit may be more or less than the Unit's

proportionate share of the total assessment and tax amount shown. If any of the foregoing requirements or conditions, however, should not be met to the satisfaction of HPD, or if any of the foregoing representations should prove to be inaccurate, then, unless the Regulations are modified to remove or change any requirement or condition that is not met, the building would not qualify for the partial real estate tax exemption provided under Section 421-a.

We have been retained by you to undertake the procedures outlined in this letter and consent to the inclusion of this letter in any offering plan with respect to the project. We make no representations and express no opinion as to whether or not any or all of the requirements and conditions set forth herein will be fulfilled.

Although the estimate of the 2004/2005 Actual Assessed Valuation is a good faith estimate, it is not possible to estimate it with any degree of certainty, and thus such assessed valuation when actually made, may be lesser or greater than as estimated. In no event will my firm, the Sponsor, the Sponsors' counsel, the Condominium Board or any other person be liable if the assessed valuation when actually made, is lesser or greater than predicted if the Administrative Code and the applicable rules and regulations of the City of New York are in the future changed or if the facts as represented to my firm prove to be untrue.

As president of Moseson & Associates a real estate tax consulting firm, I have represented homeowners, real estate developers, attorneys, and corporations since 1983 in dealings with the NYC Department of Housing Preservation and Development. I specialize primarily in obtaining Section 421a,421b,ICIP, & J51 tax abatements for my clients.



Jacob Moseson

Document No. 9

ESCROW AGREEMENT

AGREEMENT made this ____ day of May, 2005 between 331 e 8 Associates LLC, c/o The Helix Group, Inc., 40 Worth Street, Mezzanine Level, New York, New York 10013 ("Sponsor") and Robert Castellano, Esq., 11 West 42nd Street, Suite 900, New York, New York ("Escrow Agent") as escrow agent.

WHEREAS, Sponsor is the Sponsor of an offering plan for Condominium ownership of the premises located at 331 East 8th Street, New York, New York which premises are known as The 331 East 8th Street Condominium ("the "Condominium"); and

WHEREAS, Escrow Agent is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, Sponsor desires that Escrow Agent act as escrow agent for deposits and payments by purchasers and subscribers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 Sponsor and Escrow Agent hereby establish an escrow account with Escrow Agent for the purpose of holding deposits or payments made by purchasers of subscribers. The escrow account has or upon receipt of the first funds will be opened with Citibank N.A. at its branch located at 90 Park Avenue, New York, New York,

The master account number is [redacted]

1.2 The name of the account is Robert Castellano – The 331 East 8th Street Trust Account.

1.3 Escrow Agent is the sole signatory on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the Offering Plan.

1.5 The escrow account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser to the order of Robert Castellano – The 331 East 8th Street Trust Account. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly, but in no event more than five business days following receipt of such instrument by Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, Escrow Agent shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. RELEASE OF FUNDS.

3.1 Escrow Agent shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve Sponsor of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 Escrow Agent shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 Sponsor shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

3.4 If there is no written agreement between the parties to release the escrowed funds, Escrow Agent shall not pay the funds to Sponsor until Escrow Agent has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to Sponsor unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified Escrow Agent in accordance with such provisions.

4. RECORDKEEPING.

4.1 Escrow Agent shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon the dissolution of a law firm which was Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 Escrow Agent shall make available to the Attorney General, upon his request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 Escrow Agent shall maintain the accounts called for in this Agreement under the direct supervision and control of Escrow Agent.

5.2 A fiduciary relationship shall exist between Escrow Agent and Purchasers, and Escrow Agent acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR.

6.1 Sponsor agrees that Sponsor and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to Escrow Agent.

6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

This Agreement shall remain in effect unless and until it is cancelled, by either:

(a) Written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation

shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

(b) The resignation of Escrow Agent upon giving notice to Sponsor of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

(c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of Escrow Agent as described in paragraph 7.1 above, Escrow Agent shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by Escrow Agent to the new Escrow Agent.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon Sponsor and Escrow Agent and their successors and assigns.

9. GOVERNING LAW.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 Sponsor agrees that Escrow Agent's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to Escrow Agent, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT



Robert Castellano

SPONSOR

331 e 8 Associates LLC by
HELIX PARTNERS LLC, Managing Member

By: _____
WILLIAM LOZITO, Managing Member

331 e 8 ASSOCIATES LLC by
HELIX PARTNERS LLC, Managing Member

By: _____
MATTHEW BROWN, Managing Member

ETF-1

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWNPAYMENTS

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____
Address of Building or Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant _____

2. Address of Applicant _____

3. Name, Address, and Telephone Number of Applicant's Attorney (if any) _____

_____

4. This is an application for
   - [ ] return of downpayment.
   - [ ] forfeiture of downpayment.
   - [ ] other: _____

5. The project is
   - [ ] a conversion of occupied premises.
   - [ ] newly constructed or rehabilitated.
   - [ ] vacant (as is).

6. The project is structured as
   - [ ] a cooperative.
   - [ ] a condominium.
   - [ ] a homeowners association.
   - [ ] a timeshare.
   - [ ] other: _____

2/6/92

7. Name and Address of Sponsor: _____

_____

8. Name and Address of Escrow Agent: _____

_____

9. If downpayments are maintained in an escrow account:

(a) Name of account _____

(b) Name and address of bank _____

(c) Account number (if known) _____

(d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:

(a) Name and address of bond issuer or surety: _____

_____

(b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND). If not included, explain:

_____

_____

11. If downpayments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: _____

_____

(b) Date of expiration of the letter of credit, if known:

_____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan

[ ] has been declared effective. Approximate date: _____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date: _____

[ ] has not closed.

[ ] don't know.

(d) Downpayments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____

_____

_____

_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____

_____

_____

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: Date:

Name (Printed):

Telephone: (Home) (Business)

Mailing Address:

2/6/92

Document No. 10

CERTIFICATIONS

(a) Sponsor and Sponsor's Principals
(b) Sponsor's Architect
(c) Sponsor's Expert Concerning Adequacy of Budget
(d) Sponsor's Expert Concerning Compliance with 339-i

CERTIFICATION BY THE SPONSOR AND SPONSOR'S PRINCIPALS

The 331 East 8th Street Condominium
New York City

331 e 8 Associates LLC

The undersigned are the Sponsor and the Principals of the Sponsor of the Condominium Offering Plan for the above-captioned property as defined in section 20.1(c)(2) of the regulations promulgated by the Department of Law in Part 20.

The undersigned understand that they have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

The undersigned have read the entire Offering Plan, have investigated the facts set forth in the entire Offering Plan, have investigated the facts set forth in the Offering Plan and the underlying facts, have exercised due diligence to form a basis for this Certification. The undersigned jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

(I) set forth the detailed terms of the transaction and be complete, current and accurate;

(II) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(III) not omit any material fact;

(IV) not contain any untrue statement of a material fact;

(V) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(VI) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(VII) not contain any promise or representation or statement which is false, where the undersigned:

- (a) knew the truth;
- (b) with reasonable effort could have known the truth;
- (c) made no reasonable effort to ascertain the truth; or
- (d) did not have knowledge concerning the representation or statement made.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

The undersigned understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

This Certification may be executed in one or more counterparts, all of which when taken together shall constitute one and the same instrument.

Sponsor:

331 e 8 Associates by,
Helix Partner LLC, Managing Member

By: _____
William Lozito, Managing Member
Helix Partners LLC

Sworn to before me this
4th day of May, 2005

_____
Notary Public

ROBERT CASTELLANO
NOTARY PUBLIC, State of New York
No. 4857233
Qualified in Kings County
Commission Expires March 31, 2006

By: _____
Matthew Brown, Managing Member
Helix Partners LLC

Sworn to before me this
4th day of May, 2005

_____
Notary Public

ROBERT CASTELLANO
NOTARY PUBLIC, State of New York
No. 4857233
Qualified in Kings County
Commission Expires March 31, 2006

_____
William Lozito, Member

Sworn to before me this
4th day of May, 2005

_____
Notary Public

ROBERT CASTELLANO
NOTARY PUBLIC, State of New York
No. 4857233
Qualified in Kings County
Commission Expires March 31, 2006

_____
Matthew Brown, Member

Sworn to before me this
4th day of May, 2005

_____
Notary Public

ROBERT CASTELLANO
NOTARY PUBLIC, State of New York
No. 4857233
Qualified in Kings County
Commission Expires March 31, 2006

_____
Joseph Lozito, Member

Sworn to before me this
4th day of May, 2005

_____
Notary Public

ROBERT CASTELLANO
NOTARY PUBLIC, State of New York
No. 4857233
Qualified in Kings County
Commission Expires March 31, 2006

CERTIFICATION OF SPONSOR'S ARCHITECT

331 East 8th Street Condominium
New York City

The undersigned, Daniel Bernstein, certifies as follows:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction of the property (the "Report"). I examined the building plans and specifications, a copy of which is intended to be incorporated into the offering plan that prospective Purchasers may rely on the Report.

I am a registered architect in the State of New York.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20, insofar as they are applicable to this report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

(I) sets forth 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 an specification that I examined;

(II) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgement 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 knowingly omit any material fact;

(IV) does not contain any untrue statement of material fact;

(V) does not contain any fraud, deception, concealment, or suppression;

(VI) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(VII) does not contain any representation or statement which is false, where I:
(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

It is to be understood that all aspects of the physical condition of the property cannot be determined by visual inspection and all statements contained in this certification are premised on and limited to such visual inspection.

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 Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

By: _____



Sworn to before me this
28 day of December 2004

Sherri Rosen
Notary Public

SHERRI ROSEN
NOTARY PUBLIC, State of New York
No. 41-4712214
Qualified in Queens County
Certificate Filed in New York County
Term Expires December 31, 2006

D & D MANAGEMENT SERVICES CORP.
6900 EIGHTH AVENUE
BROOKLYN, NEW YORK 11228
EMAIL: DDMSC@AOL.COM
Tel: 718-238-9879
Fax: 718-836-3713

CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY OF BUDGET PURSUANT TO SECTION 20 OF THE REGULATION ISSUED TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

January 13, 2005

State of New York
Department of Law
120 Broadway. 23rd Floor
New York, New York 10271

Re 331 E 8 ASSOCIATES. LLC
331 East 8 Street, New York, New York

Gentleman:

The Sponsor of the Offering Plan for the captioned property retained our firm to review the Schedules B and B-1 containing projections of Income and Expense for the first year of Condominium Operation. Our experience in the field include: over ten years and the current management of thirteen buildings; and the sale of numerous condominium and rental properties. We are familiar with prices, practices, and procedures in the area of this condominium.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the Schedules B and B-1.

We have reviewed the Schedules B and B-1 and investigated the facts set forth in the Schedules B and B-1 and the facts underlying them with due diligence in order to form a basis for this Certification. We have also relied on our experience in managing residential buildings.

We certify that the projections in the Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

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We certify that the Schedules:

(i) set forth in detail the projected income and expense 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 I (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.

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.

Sworn to before me this
13th Day of January, 2005

Joanna Sadowska
Notary Public
JOANNA SADOWSKA
Notary Public, State Of New York
No. 01SA6045963
Qualified in Queens County
Commission Expires 08-07-20 06

Very truly yours,
D&D Management Services Corp.

By: Dorina Miletic

331 East 8th Street
New York, NY

Project Budget for First Year of Operation

INCOME		
Common charges	56103.00	
EXPENSES		
Electricity (1)	3772.00	
Gas/Hot Water (2)	8690.00	
Franchise & Corporate Tax (3)	700.00	
Insurance (4)	9000.00	
Legal and Audit Fees (5)	3500.00	
Management Fees (6)	6000.00	
Repair & Maintenance (7)		
Elevator maintenance	4200.00	
Building Repairs	1500.00	
Building Supplies	1500.00	
Super/Janitor	13000.00	
Misc (8)	3000.00	
Water & Sewer (9)	1241.00	
	56103.00	

1. Based on projected annual consumption for public machinery & public light as per opinion of TK Engineering
2. Based on projected annual consumption for heating to units & lobby, hot water & cooking gas as per the opinion of TK Engineering
3. Annual Tax due
4. Estimated
5. Estimate - Includes $2500.00 as cost of annual certified financial statement and tax return and balance for legal expenses
6. Management services fee
7. Includes for regular Elevator maintenance, miscellaneous building repairs, cleaning supplies & part-time janitorial services at 20 hours per week at a rate of $12.50 per hour
8. Contingency for expenses not included in the budget and for allowance of reserve account
9. Based on projected annual consumption for water & sewer as per opinion of TK Engineering

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COMPLIANCE WITH REAL PROPERTY LAW 339-i(1)(iv)

January 13, 2005

331 E 8 Associates, LLC
40 Worth Street, Mezzanine
New York, New York 10013

RE: 331 East 8 Street Condominium, 331 East 8 Street, New York, New York

Dear Sirs:

You have requested an opinion from us with regards to your allocation of common interests to units in your proposed condominium at 331 East 8 Street, New York, New York, with Section 339-i (1)(iv) of the New York State Real Property Law. You have informed us that the method of allocation chosen is to allocate to each unit a percentage of common interest based upon floor space, subject to the location of such space, and the additional factors of relative value to other space in the condominium, such as uniqueness of unit, availability of common elements or exclusive or shared use, and the overall dimension of a particular unit. Based on our review of the forgoing factors, we have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339-i (1)(iv) of the New York State Real Property Law.

I have been active in the real estate industry for over ten years, am a Licensed Real Estate Broker and manage residential and condominium buildings. We have extensive experience in the management, rental and sale of cooperative and condominium units. We have previously participated in the preparation of individual unit value appraisals for the purpose of inclusion in offering plans for the sales thereof. We are not, in any way, associated with you or any other participant in the project, and have no beneficial interest in your business, or in profitability of the project. This is an opinion only as to the relative value of each unit in relation to the value of the project as a whole; it is strictly based on the information provided to us in such reasonable inquiries as to the validity thereof as we deemed appropriate under the circumstances; and, is not intended as a guarantee of actual value of any individual unit. We consent to the inclusion of this letter in your offering plan.

Very truly yours,
D&D Management Services Corp.

By: _____
Donna Miletic

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