254 PARK AVENUE SOUTH NEW YORK

THIS PLAN HAS BEEN AMENDED. SEE INSIDE COVER.

THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO CONDOMINIUM OWNERSHIP

CONDOMINIUM OFFERING PLAN

for 254 PARK AVENUE SOUTH CONDOMINIUM

254 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10010

	Purchase Price *
TOTAL PURCHASE PRICE FOR 203 RESIDENTIAL UNITS	$167,536,500.00
RESERVE FUND**	$5,026,095.00
WORKING CAPITAL FUND**	$97,001.08

* See the Section entitled "Rights of Existing Tenants" for a discussion of the rights of bona fide tenants to buy their own Apartments during the first 90 days of this offering.

** These are estimates of the minimum amount of the Reserve Fund and Working Capital Fund required under the terms of a law enacted by the New York City Council without deduction for credits allowed to Sponsor. The Working Capital Fund will also be funded by contributions which will be collected from each Purchaser at closing. The actual amounts cannot now be determined. Sponsor may be entitled to a credit against the Reserve Fund and the Working Capital Fund may be depleted by closing adjustments. See the Sections entitled "Reserve Fund" and "Working Capital Fund and Apportionments" for further details.

The Condominium will have 203 Residential Units (including one Unit, which will be sold to the Residential Board for use as the Resident Manager's Unit), all of which are being offered for sale hereby. The Condominium will also have a Retail Unit and a Roof Unit, which are not being offered for sale at this time.

SPONSOR AND SELLING AGENT

SPONSOR	SELLING AGENT
254 PAS Property LLC 125 East 56th Street, 24th Floor New York, New York 10022 (212) 829-0100	The Marketing Directors, Inc. 770 Lexington Avenue, 18th Floor New York, New York 10021 (212) 826-8822

The term of the initial offering of this Plan commenced on January 4, 2008 and expires on January 3, 2009, unless the said date is extended in a duly filed amendment.

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 THE 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 CONDOMINIUM BOARD UNDER THE TERMS OF THIS PLAN. (SEE SPECIAL RISK SECTION OF THE PLAN). THIS OFFERING PLAN IS SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES 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.

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

ANDREW M. CUOMO
Attorney General

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ERIC CORNGOLD
Executive Deputy Attorney General
Division of Economic Justice

(212)416-6384

254 Pas Property LLC
c/o Dewey & Leboeuf LLP
Attention: Renee Covitt
125 West 55th Street
New York, NY 10019

RE: 254 Park Avenue South Condominium
File Number: CD060224 Amendment No: 4
Date Amendment Filed: 08/26/2009 Filing Fee: $225.00
Receipt Number: 98858

Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. This filing is effective for the greater of six months from the date of filing this amendment or twelve months from the acceptance of the original offering literature. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment, including amending the plan to disclose the most recent certified financial statement and budget, which should be done as soon as either of these documents is available.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

Filing this amendment shall not be construed as approval of the contents or terms thereof by the Attorney General of the State of New York, or any waiver of or limitation on the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable law. The issuance of this letter is conditioned upon the collection of all fees imposed by law. This letter is your receipt for the filing fee.

Very truly yours,

Lisa Wallace
Assistant Attorney General

FINAL

FOURTH AMENDMENT
TO
CONDOMINIUM OFFERING PLAN
254 PARK AVENUE SOUTH CONDOMINIUM

This Fourth Amendment (this "Amendment") modifies and supplements the terms of the Condominium Offering Plan for the premises known as 254 Park Avenue South Condominium at 254 Park Avenue South, New York, New York 10010, first accepted for filing on January 4, 2008, as amended by the First Amendment dated March 7, 2008, as amended by the Second Amendment dated April 18, 2008, as amended by the Third Amendment dated January 30, 2009 (as amended, the "Plan"), and should be incorporated into and read in conjunction with the Plan.

The terms of this Fourth Amendment are as follows:

1. PLAN DECLARED EFFECTIVE

The Plan was declared effective by notice dated April 1, 2009. As of that date, Purchase Agreements had been executed by twenty-seven (27) bona fide purchasers unrelated to the Sponsor, Selling Agent or any other party participating in the offering for Units, representing approximately twenty-one (21%) percent of the Units being offered for sale under the Plan. Out of the twenty-seven (27) bona fide purchasers none of them are bona fide tenants in occupancy. The form of notice is attached hereto as Exhibit A.

Annexed hereto as Exhibit B is a copy of Sponsor's "Affidavit in Support of Declaring the Plan Effective".

2. RESERVE FUND CREDIT

Sponsor is taking a credit of $1,853,222.69 against the Reserve Fund for the replacement of all existing windows and balcony doors in the Residential Units, building façade work and modernization of the three elevators on the premises. Such replacement included the removal of existing double hung windows in the units and sliding doors at the balconies and the installation of new double hung windows in the Units and sliding doors at the balconies. Façade work consisted of re-pointing and replacing stone at the front façade of the building and painting the back façade of the building. Elevator work consisted of a full modernization of the three elevators in the building. The aforementioned replacement work cost approximately $2,088,512.06.

3. INCORPORATION OF THE PLAN

The Plan, as modified and supplemented herein, is incorporated herein by reference with the same effect as if set forth at length. All provisions of the Plan which are consistent with this Amendment shall remain in effect.

4. NO OTHER MATERIAL CHANGES

Except as set forth in this Amendment, there are no material changes in the Plan.

5. DEFINITIONS

All capitalized terms expressly defined in this Amendment shall have the meanings given to them in the Plan, as amended.

6. EFFECTIVE PERIOD FOR USING THE PLAN IS EXTENDED

The Plan, as modified and supplemented hereby, may not be used after the later of twelve (12) months from the Filing Date of the Plan or six (6) months following the Filing Date of this Amendment, unless the Plan is further extended or amended.

SPONSOR:

254 PAS PROPERTY LLC

EXHIBIT "A"

NOTICE DECLARING THE PLAN EFFECTIVE

254 PAS Property LLC
125 East 56th Street, 24th Floor
New York, New York 10022

April 1, 2009

To: All Tenants and Purchasers of 254 Park Avenue South Condominium as of the date hereof

Re: 254 Park Avenue South Condominium
Notice Declaring the Plan Effective

Dear Tenant or Purchaser:

We are pleased to advise you that in accordance with the Offering Plan for 254 Park Avenue South Condominium, the Sponsor is declaring the Plan effective. Purchase Agreements have been signed for more than fifteen (15%) percent of the Units listed on Schedule A of the Plan.

As soon as we have satisfied the remaining requirements of the Plan, we will give every purchaser at least thirty (30) days notice of his or her scheduled closing date, so that he or she may make the necessary arrangements to pay the remaining total cash balance of the purchase price. Please note that if you choose, you may waive your right to receive thirty (30) days notice and close earlier than your originally scheduled closing date. If you would like to waive your right to receive thirty (30) days notice please have your attorney send us a written notice to that effect.

Very truly yours,

SPONSOR:

254 PAS Property LLC

By: 254 PAS Mezz LLC (Sole Member)

By: PAS 4 Manager LLC

By: _____
Name:
Title: Manager

EXHIBIT "B"

AFFIDAVIT IN SUPPORT OF DECLARING THE PLAN EFFECTIVE

AFFIDAVIT IN SUPPORT OF DECLARING THE PLAN EFFECTIVE

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

_____, being duly sworn deposes and says:

1. I am the Principal of 254 PAS PROPERTY LLC, the Sponsor under that certain Offering Plan dated January 4, 2008 (the "Plan") for condominium ownership of the premises known as 254 Park Avenue South Condominium (the "Property").

2. The Plan was accepted for filing by the Attorney General of the State of New York on January 4, 2008, and was thereafter presented to the public.

3. The Plan provides that it may not be declared effective unless purchase agreements are executed and accepted for fifteen percent (15%) of the Units.

4. The Plan was declared effective by notice dated April 1, 2009. As of April 1, 2009, purchase agreements have been executed by twenty-seven (27) bona fide purchasers unrelated to the Sponsor, Selling Agent or any other party participating in the offering for Units, representing more than fifteen (15%) percent of all Units being offered for sale. Attached as Schedule A hereto is a list of the Units for which purchase agreements have been executed, together with the date of such purchase agreements.

5. All purchasers who are counted for purposes of declaring the plan effective are bona fide purchasers.

6. None of the purchasers are related (by blood, marriage, or adoption) to, or are principals, employees, limited partners or business associates of, the Sponsor or the Selling Agent or the Managing Agent. Under the terms of the Plan, fifteen percent (15%) executed and accepted contracts are all that is required to declare the Plan effective.

7. No purchaser counted for purposes of declaring the Plan effective 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 any principal of the Sponsor, the Selling Agent or the Managing Agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder, or a limited partner.

8. None of the purchasers have bought as an accommodation to or for the account or benefit of the Sponsor or Selling Agent, or the principals of the Sponsor or Selling Agent.

9. All of the purchasers have executed purchase agreements and have paid the full down payment as required in the Procedure to Purchase section of the offering plan.

10. No purchasers counted for purposes of declaring the Plan effective have assigned or transferred purchase agreements in violation of Section 23.3(r) of the Regulations Governing the Conversion of Occupied Residential Property to Condominium Ownership.

11. There are no material changes to the budget for the first year's operation which have not been disclosed in a duly filed amendment to the Plan.

12. All required statements pursuant to GBL Section 352-eee or 352-eeee have been posted.

13. I hereby submit this Affidavit to the Attorney General in connection with that certain Amendment declaring the Plan effective.

SPONSOR:

254 PAS Property LLC

By: 254 PAS Mezz LLC (Sole Member)

By: PAS 4 Manager LLC

By: _____
Name:
Title: Manager

Sworn to before me this ____
day of_____, 2009.

_____
Notary Public

SCHEDULE A

	Unit	Date Contract Signed	Amount of Deposit if Less Than Offering Plan Amount	Date of Deposit if Different from Date of Purchase Agreement	Bona Fide	Tenant Purchaser/ Non-Tenant Bona Fide Purchaser
1	3C	4/25/08	NA	NA	YES	Not-Tenant
2	5B	6/27/08	$54,700	$54,700 received, additional check for $54,700 received on 8/18/08	YES	Not-Tenant
3	5CD	7/16/08	NA	NA	YES	Not-Tenant
4	5R	4/28/08	NA	NA	YES	Not-Tenant
5	6B	12/5/08	NA	NA	YES	Not-Tenant
6	6C	4/6/08	NA	NA	YES	Not-Tenant
7	6KL	7/16/08	NA	NA	YES	Not-Tenant
8	6PR	8/18/08	NA	NA	YES	Not-Tenant
9	7G	11/14/08	NA	NA	YES	Not-Tenant
10	7M	9/5/08	NA	NA	YES	Not-Tenant
11	8G	9/15/08	NA	NA	YES	Not-Tenant
12	8J	7/2/08	NA	NA	YES	Not-Tenant

13	8KLM	6/11/08	NA	NA	YES	Not-Tenant
14	9D	3/24/08	NA	NA	YES	Not-Tenant
15	9G	5/9/08	NA	NA	YES	Not-Tenant
16	9KL	6/30/08	NA	NA	YES	Not-Tenant
17	9M	5/6/08	NA	NA	YES	Not-Tenant
18	9R	9/5/08	NA	NA	YES	Not-Tenant
19	10D	6/3/08	NA	NA	YES	Not-Tenant
20	10KL	7/16/08	NA	NA	YES	Not-Tenant
21	11CDG	5/9/08	NA	NA	YES	Not-Tenant
22	11KL	7/16/08	NA	NA	YES	Not-Tenant
23	11M	6/24/08	NA	NA	YES	Not-Tenant
24	11R	7/9/08	NA	NA	YES	Not-Tenant
25	12D	3/11/08	NA	NA	YES	Not-Tenant
26	12M	7/16/08	NA	NA	YES	Not-Tenant
27	12KL	6/15/08	NA	NA	YES	Not-Tenant

THIRD AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

254 PARK AVENUE SOUTH CONDOMINIUM
254 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10010

Dated: January 30, 2009

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THIRD AMENDMENT
TO
CONDOMINIUM OFFERING PLAN
254 PARK AVENUE SOUTH CONDOMINIUM

This Third Amendment (this "Amendment") modifies and supplements the terms of the Condominium Offering Plan for the premises known as 254 Park Avenue South Condominium at 254 Park Avenue South, New York, New York 10010, first accepted for filing on January 4, 2008, as amended by the First Amendment dated March 7, 2008, as amended by the Second Amendment dated April 18, 2008 (as amended, the "Plan"), and should be incorporated into and read in conjunction with the Plan.

The terms of this Third Amendment are as follows:

1. **Cellar Floor Amenities**

The existing cellar will be renovated and a Residential Lounge and Fitness Center will be added (the "New Amenities"). The Residential Lounge will consist of a poker table, a billiards table and a bar. The Fitness Center will contain standard gym equipment including weights and cardiovascular equipment. The square footage of the Residential Lounge and the Fitness Center will be 2,013. The projected completion date of the New Amenities is within one year of the First Closing and the projected date for the First Closing is on or about May 1, 2009. All tenants will have access to the New Amenities. The prior intended use of the cellar space included Residential Units and common space. Sponsor reserves the right to change the location of the amenities in the basement without decreasing the square footage of the amenities

2. **Unit Renovations**

Annexed hereto as Exhibit "A" is a schedule of the Residential Units providing the finishes of each vacant Unit. The occupied Units will remain "as is." Please note that Sponsor reserves the right to amend or modify the finishes in any way not material to this offering, including, without limitation, changing materials, appliances, equipment, fixtures and other construction and design details set forth on Exhibit A and to substitute in their place similar

materials, appliances, equipment and/or fixtures of substantially equal or better quality, provided that any necessary approval of any governmental authority having jurisdiction thereof is timely obtained. Any or all of the foregoing shall give rise to no right of rescission on the part of any Purchaser and may be made without prior notice or amendment to the Plan.

3. **Description of Property Improvements**

Annexed hereto as Exhibit "B" is a revised "Description of Property." Please note that except where specified, occupied Units will remain "as-is."

4. **Offering of Commercial Unit**

The Plan describes one Commercial Unit located in the Commercial Section of the Building on portions of the Ground Floor and basement of the Building. As more particularly described on "Schedule A- Purchase Prices and Related Information," the Commercial Unit contains 4,976 square feet of retail space on the ground floor of the building and 6,913 square feet of commercial space in the basement of the building.

As set forth in the Plan, the Commercial Unit can be used for any lawful commercial purpose. The owners of the Commercial Unit have the right to freely sell or lease the Commercial Unit without having to first offer the same for sale or lease to the Board.

The Commercial Unit is being offered for the Purchase Price as set forth on the revised "Schedule A- Purchase Prices and Related Information," annexed hereto as Exhibit E.

5. **Resident Manager's Unit**

The Resident Manager's Unit has been moved to Unit 2N which will be a combination of Unit 2N and Unit 2O. The Resident Manager's Unit will be given to the Board at no charge. Annexed hereto as Exhibit "D" is a revised Schedule A.

6. **Change of Entrance**

The entrance to the Residential Lobby of the Building may be moved to 20th Street and if it is, it will be wheelchair accessible. A new service entrance may be added at the westerly side of the building on 20th Street.

7. **Schedule B**

Annexed hereto as Exhibit "F" is a revised Schedule B, Projected Budget for First Year of Condominium Operation. Please note that the First Year of Operation now commences on May 1, 2009. It is possible that the First Closing will take place prior to the beginning of the fiscal year. If the First Closing occurs before the beginning of the fiscal year, common charges will be calculated based on actual operating expenses. In addition, the Resident Manager's Unit is no longer being financed by the Condominium Board. The Sponsor intends to give the Resident Manager's Unit to the

Condominium Board at no charge. Annexed hereto as Exhibit I is a revised Real Estate Tax Opinion Letter.

8. Corrections

Certain minor corrections have been made to the Offering Plan as follows:

a. Terraces: The following Units have Terraces: 1R and 1P share a terrace, 3B, 4B, 5B, 6B, 7B, 8B, 9B, 10B, 11B, 12B and PHA. No Units under contract lost Terraces.

b. Sponsor's Address: The Sponsor's address is 126 East 56th Street, 24th Floor, New York, New York 10022.

c. Commercial Unit: The Commercial Unit refers to the Retail Unit which contains 4,976 square feet of retail space on the ground floor of the building and 6,913 square feet of commercial space in the basement of the building. The Commercial Unit does not contain square footage on the Roof of the Building.

d. G Line Units: Units 5G, 6G, 7G, 8G, 9G, 10G, 11G, 12G and PHG contain 398 square feet and not 364 square feet. Annexed hereto as Exhibit D are the revised floor plans.

9. Special Risks

Purchasers should note that there are lot line windows located in PH A and PH B. The lot line windows are existing single pane with steel frame and are scheduled to remain. The lot line windows are not legal light and air windows.

10. Delivery of Units

Under present plans, all of the services and facilities described in the Plan will initially be provided and made available to Residential Unit Owners following the First Closing, except as otherwise indicated.

Although Sponsor anticipates that many of the services described will be available at the time of the First Closing, prospective Purchasers should note that some of these services may not be available until the later of: (i) twelve months after the First Closing; or (ii) the closing of title to and occupancy of at least 50% of the Residential Units. In addition, certain of the amenities described in this Amendment may not be arranged or available until after such interim period, including but not limited to the Residential Lounge, the Fitness Center, the Lobby, and certain common areas in the Building. However, it is anticipated that at all times after the First Closing, the Residential Section lobby will be attended 24 hours per day, seven days per week, and there will be at least one elevator servicing every floor on which there are occupied Residential Units. The interim level staffing will at all times during this period be commensurate to the levels of occupancy from time to time and adequate to properly maintain

the Building. Purchasers are also advised that during such period and beyond, various systems, including, but not limited to, water supply, air conditioning, heating, cooling, ventilating and elevators, may be incomplete and may be disrupted temporarily and from time to time.

11. Construction

Purchasers are further advised to note that construction in general is a complicated process which requires the coordination of numerous concurrent tasks, contractors, and suppliers and the balancing of complex mechanical and architectural systems, all of which is subject to unanticipated delays and difficulties and necessarily involves noise, disruption, construction dust, debris and inconvenience. Thus, from the date hereof through, including and beyond the closing of title to any particular purchaser's Residential Unit, work should be expected to be undertaken and continue by or on behalf of: (i) Sponsor to complete the balance of the Building; (ii) individual Residential Unit Owners within their Units (to perform custom renovations, etc.); and (iii) the Non-Residential Unit Owners to complete renovation, build-out, furnishing and equipping their Units. During at least the first Year of Operation, construction workers and related personnel of Sponsor and others will be at the Property from time to time performing construction work, making adjustments and performing various other tasks related to the completion of renovation, fitting out of, and moving into, the Units and other portions of the Building which may compromise the security of the Building from time to time. Elevators and personnel may be taken out of service and diverted to facilitate renovation and exterior hoists may be in place during at least the year following the First Closing and from time to time thereafter, as needed, in connection with construction being performed in Units by the Sponsor. Sponsor may not fully complete the decoration of finishing of the lobby, corridors, elevator finishes and other portions of the Building, including, but not limited to, installing light fixtures, painting, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Unit Owners or, if additional construction within a Unit is anticipated, for some period thereafter. All of the forgoing work and conditions will create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Certain portions of the Common Elements may be completed before or after completion of any particular Purchaser's Unit. As a result, certain amenities and benefits anticipated to be available to Unit Owners may not be available until such other portions of the Building are completed and fully operational. Sponsor shall have no liability whatsoever in the event these services are delayed, not made available, or discontinued or disrupted. Further, the Boards and/or Sponsor may or may not impose conditions and deadlines upon the planning, performing and completion of such work. No assurance can be given with regard to the accuracy of any projected schedules or completion dates set forth herein or with respect to the duration of any interim service periods or periods of potential disruption of the Unit Owners and their tenants or occupants, all such dates and timetables, to the extent provided, being only good faith estimates.

12. Construction Protocol

a. The Sponsor is completing the restoration of the building located at 254 Park Avenue South, New York, NY.

b. The Sponsor will use reasonable efforts to notify the affected tenants of the building of any service interruptions to water or electricity at least 48 hours in advance of such shutdown (subject, however, to emergency shutdowns). The Sponsor shall use reasonable efforts to provide tenants with at least 5 days advance notice of any shutdown anticipated to last longer than 8 eight hours or overnight.

c. Work will not commence prior to 8AM. Sponsor will use reasonable efforts to give Tenants in the apartments surrounding such work area 24 hours prior notice.

d. The Elevators are in process of being modernized and each car will be taken out of service for at least six weeks. One elevator shall always be in service for tenant use (subject, however, to emergency shutdowns)

e. Sponsor will use reasonable efforts to reduce dust in all common areas of the building.

f. Sponsor will continue to maintain staff levels at the building, including the resident manager and 24 hour doorman.

13. Number of Residential Units

There are 124 Residential Units in the Building and 123 Residential Units are being offered for sale.

14. Correction to Declaration

Article 16.14 of the Declaration has been revised as follows:

"Declarant shall have a perpetual exclusive license to use the Roof or sublicense Unit Owners to use the Roof."

No existing tenants had a right to use the Roof. Sponsor has no current plans for the Roof.

15. Temporary Certificate of Occupancy

Purchasers should note that prior to Closing, Sponsor shall obtain either a temporary certificate of occupancy for the Unit or a letter of completion for the Unit, as required by the New York City Department of Buildings. Sponsor anticipates that either a temporary certificate of occupancy or a letter of completion for the First Closing will be received by December 1, 2008.

16. Errata

The Section of the Plan entitled "Procedure to Purchase" is hereby corrected and the third paragraph on page 96 shall read:

"It is anticipated that the First Closing will occur by the date set forth in Schedule B as the commencement date for the first year of Condominium operation. In the event that the project commencement date of Condominium operation is six (6) months later than the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. If the Common Charges in the revised budget increase by twenty-five percent (25%) or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements and have their Down Payments refunded to them. Any Purchaser electing rescission will have their Down Payments and any interest earned thereon returned; provided however, that Sponsor may retain any escrow funds expended for special work at the request of the Purchaser as well as the cost of any work necessary to restore the Unit to its condition prior to such work having been performed. Rescission need not be offered to any Purchaser who is in default under such Purchaser's Purchase Agreement, beyond the expiration of any applicable grace period, provided that Sponsor shall only retain the Down Payment of a Purchaser in accordance with the escrow and trust fund requirements of General Business Law Sections 352-e(2b) and 352-h and the Attorney General's regulations promulgated pursuant thereto as described in the subsection of the Plan entitled "Procedure to Purchase - Escrow and Trust Fund Requirements" in this Section of the Plan."

17. **Extension of Offering Plan**

The Plan, as modified and supplemented by this Amendment, is hereby extended for six (6) months following the Filing Date of this Amendment.

18. **Incorporation of the Plan**

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

19. **Definitions**

All terms used in this Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan.

20. **No Material Changes**

Except as set forth in this Amendment, there have been no material changes of facts or circumstances affecting the Property or the offering.

SPONSOR:

254 PAS PROPERTY LLC

EXHIBIT "A"

UNIT FINISH SCHEDULE

Unit 4 Bath Selections

Master Bath

Walls	Lava Stone
Floor	Lava Stone
Ceiling	Benjamin Moore paint in eggshell finish
14406-4-CP	Purist Basin Set With Low Gooseneck
3489-0	Cimarron One Piece Toilet
10121-CP	Rainhead
7396-CP	3" Straight from Ceiling Showering Arm & Flange
9171-A / 9178	Decorative drain w/ throat for zurn 415 series - contemp style
8002-CP	WaterTile Bodysprays
P24443-00-CP	Kallista One Wand Handshower
975-CP	Purist Wall Bracket
976-CP	Purist Elbow Supply
T14489-4-CP	Purist Stacked Thermostatic Trim
670-KS-NA	3/4" Stacked Thermostatic Valve
T14491-4-CP	Purist 3-Way Transfer Valve
672-K-NA	3/4" 3-Way Transfer Valve
14436-CP	Purist 24" Towel Bar
14443-CP	Purist Robe Hook
14444-CP	Purist Toilet Paper Holder

2nd Bath

Walls	Benjamin Moore paint in eggshell finish
Tub Surround walls	White Agglomerate Tile
Floor	Lava Stone
Ceiling	Benjamin Moore paint in eggshell finish
14406-4-CP	Purist Basin Set With Low Gooseneck
3489-0	Cimarron One Piece Toilet
850-ZV (LH) / ZU (RH)-0	Mod - Tea for Two 5'
7169-AF-CP	Bath Drain
T14420-4-QQ-CF-07071201-CP	Purist B/S Trim with Stillness showerhead and tub spout for Two Bed. 2nd Bath & One Bed Master Bath
305-KS-NA	Pressure Balance Valve for T14420-4-QQ-CF-07071201-CP
14436-CP	Purist 24" Towel Bar
14443-CP	Purist Robe Hook
14444-CP	Purist Toilet Paper Holder

Kitchen

Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	C16
Dishwasher	Bosch	SRV53c03 uc-30
Washer/Dryer	Ariston	W1020 EO
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	
Microwave	GE	Stainless Finish

Additional Finish Selections

Double Hung Window	Crystal Window	Series 6000
Casement Window	Crystal Window	Series 8000
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Closet pull	Omnia	36S/00
Pocket door lock	Accurate	2002 CPDL-5
Flooring white oak stained black	Exobam	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

Unit B Finish Schedule

Bathroom		
Walls	Lava Stone	
Floor	Lava Stone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
850-ZV (LH) / ZU (RH)-0	Mod - Tea for Two 5'	
7169-AF-CP	Bath Drain	
T14420-4-QQ-CF-07071201-CP	Purist B/S Trim with Stillness showerhead and tub spout	
305-KS-NA	Pressure Balance Valve for T14420-4-QQ-CF-07071201-CP	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	
Kitchen		
Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	hc1050
Dishwasher	Bosch	SRV53c03
Washer/Dryer	Ariston	W1020 EO
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	
Microwave	GE	Stainless Finish
Additional Finish Package		
Double Hung Window	Crystal Window	Series 6000
Sliding Glass Door	Crystal Window	Series 1240
Casement	Crystal Window	Series 8000
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Closet pull	Omnia	36S/00
Pocket door lock	Accurate	2002 CPDL-5
Flooring white oak stained black	Exobam	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

UNIT Finish Schedule		
Bathroom		
Walls	Lava Stone	
Floor	Lava Stone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
850-ZV (LH) / ZU (RH)-0	Mod - Tea for Two 5'	
7169-AF-CP	Bath Drain	
T14420-4-QQ-CF-07071201-CP	Purist B/S Trim with Stillness showerhead and tub spout	
305-KS-NA	Pressure Balance Valve for T14420-4-QQ-CF-07071201-CP	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	
Kitchen		
Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	hc1050
Dishwasher	Bosch	SRV53c03
Washer/Dryer	Ariston	W1020 EO
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	
Microwave	GE	Stainless Finish
Additional Finish Package		
Double Hung Window	Crystal Window	Series 6000
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Closet pull	Omnia	36S/00
Pocket door lock	Accurate	2002 CPDL-5
Flooring white oak stained black	Exobam	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

Unit 6 Finish Schedule

Master Bath

Walls	Lava Stone	
Floor	Lava Stone	
Ceiling	Benjamin Moore paint in eggshell finish	
14408-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
855-0	Tea for Two 5.5'	
7147-AF-CP	Tub drain	
T14428-4-CP	Purist Deck-Mount Bath Filler	
301-K-NA	3/4" High Flow Valve System	
13601-NA	Thermostatic Mixer for 301-K-NA	
10121-CP	Rainhead	
7396-CP	3" Straight from Ceiling Showering Arm & Flange	
9171-A / 9178	Decorative drain w/ throat for zurn 415 series - contemp style	
8002-CP	WaterTile Bodysprays	
P24443-00-CP	Kallista One Wand Handshower	
975-CP	Purist Wall Bracket	
976-CP	Purist Elbow Supply	
T14489-4-CP	Purist Stacked Thermostatic Trim	
670-KS-NA	3/4" Stacked Thermostatic Valve	
T14491-4-CP	Purist 3-Way Transfer Valve	
672-K-NA	3/4" 3-Way Transfer Valve	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	

Second Bath

Walls	Benjamin Moore paint in eggshell finish	
Tub Surround walls	White Agglomerate Tile	
Floor	Lava Stone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
850-ZV (LH) / ZU (RH)-0	Mod - Tea for Two 5'	
7189-AF-CP	Bath Drain	
T14420-4-QQ-CF-07071201-CP	Purist B/S Trim with Stillness showerhead and tub spout	
305-KS-NA	Pressure Balance Valve for T14420-4-QQ-CF-07071201-CP	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	

Powder Room

Walls	Benjamin Moore paint in eggshell finish	
Floor	Lava Stone	
Ceiling	Benjamin Moore paint in eggshell finish	
14410-4-CP	Purist Basin Set With Low Spout	
3489-0	Cimarron One Piece Toilet	
14444-CP	Purist Toilet Paper Holder	
14441-CP	Purist Towel Ring	

Kitchen

Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3351-NA	Double Stainless Steel Sink for 2 bd. Units	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	C16
Dishwasher	Bosch	SRV53c03
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	
Wine Cooler	Sub-Zero	424G/S/2
Microwave	GE	Stainless Finish

Additional Finish Package

Double Hung Window	Crystal Window	Series 6000
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Closet pull	Omnia	36S/00
Pocket door lock	Accurate	2002 CPDL-5
Flooring white oak stained black	Exobam	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		
Washer	Bosch	WFL2090VC
Dryer	Bosch	WTE86300 US

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

Unit G Finish Schedule

Bathroom

Walls	Limestone	
Floor	Limestone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
T14423-4-CP	Purist Shower Only Trim	
967-CP	Stillness Showerhead	
P304-KS-NA	Pressure Balance Valve	
9171-A / 9178	Decorative drain w/ throat for zurn 415 series - contemp style	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	

Kitchen

Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	hc1050
Dishwasher	Bosch	SRV53c03
Washer/Dryer	Ariston	W1020 EO
Microwave	GE	Stainless Finish
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	

Additional Finish Package

Double Hung Window	Crystal Window	Series 6000
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Flooring white oak stained black	Exobam	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		
Entry Light	Polished Chrome finish	

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

Unit H Finish Schedule

Bathroom

Walls	Limestone	
Floor	Limestone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
T14423-4-CP	Purist Shower Only Trim	
967-CP	Stillness Showerhead	
P304-KS-NA	Pressure Balance Valve	
9171-A / 9178	Decorative drain w/ throat for zurn 415 series - contemp style	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	

Kitchen

Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	hc1050
Dishwasher	Bosch	SRV53c03
Washer/Dryer	Ariston	W1020 EO
Microwave	GE	Stainless Finish
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	

Additional Finish Package

Double Hung Window	Crystal Window	Series 6000
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Flooring white oak stained black	Exobam	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		
Entry Light	Polished Chrome finish	

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

Unit J Finish Schedule

Bathroom

Walls	Limestone	
Floor	Limestone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
T14423-4-CP	Purist Shower Only Trim	
967-CP	Stillness Showerhead	
P304-KS-NA	Pressure Balance Valve	
9171-A / 9178	Decorative drain w/ throat for zurn 415 series - contemp style	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	

Kitchen

Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	HC1050
Dishwasher	Bosch	SRV53c03
Washer/Dryer	Ariston	W1020 EO
Microwave	GE	Stainless Finish
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	

Additional Finish Package

Double Hung Window	Crystal Window	Series 6000
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Flooring white oak stained black	Exobarn	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		
Entry Light	Polished Chrome finish	

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

Unit 1 Finish Schedule

Bathroom

Walls	Limestone	
Floor	Limestone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
T14423-4-CP	Purist Shower Only Trim	
967-CP	Stillness Showerhead	
P304-KS-NA	Pressure Balance Valve	
9171-A / 9178	Decorative drain w/ throat for zurn 415 series - contemp style	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	

Kitchen

Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	hc1050
Dishwasher	Bosch	SRV53c03
Washer/Dryer	Ariston	W1020 EO
Microwave	GE	Stainless Finish
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	

Additional Finish Package

Double Hung Window	Crystal Window	Series 6000
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Flooring white oak stained black	Exobam	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod Entry Light	Polished Chrome finish	

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

Unit L Finish Schedule

Bathroom

Walls	Limestone	
Floor	Limestone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
T14423-4-CP	Purist Shower Only Trim	
967-CP	Stillness Showerhead	
P304-KS-NA	Pressure Balance Valve	
9171-A / 9178	Decorative drain w/ throat for zurn 415 series - contemp style	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	

Kitchen

Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	hc1050
Dishwasher	Bosch	SRV53c03
Washer/Dryer	Ariston	W1020 EO
Microwave	GE	Stainless Finish
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	

Additional Finish Package

Double Hung Window	Crystal Window	Series 6000
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door openIng)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Flooring white oak stained black	Exobam	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		
Entry Light	Polished Chrome finish	

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

Unit H Finish Schedule

Bathroom

Walls	Limestone	
Floor	Limestone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
T14423-4-CP	Purist Shower Only Trim	
967-CP	Stillness Showerhead	
P304-KS-NA	Pressure Balance Valve	
9171-A / 9178	Decorative drain w/ throat for zurn 415 series - contemp style	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	

Kitchen

Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	hc1050
Dishwasher	Bosch	SRV53c03
Washer/Dryer	Ariston	W1020 EO
Microwave	GE	Stainless Finish
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	

Additional Finish Package

Double Hung Window	Crystal Window	Series 6000
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Flooring white oak stained black	Exobam	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		
Entry Light	Polished Chrome finish	

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

Unit N Finish Schedule

Bathroom

Walls	Limestone	
Floor	Limestone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
T14423-4-CP	Purist Shower Only Trim	
967-CP	Stillness Showerhead	
P304-KS-NA	Pressure Balance Valve	
9171-A / 9178	Decorative drain w/ throat for zurn 415 series - contemp style	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	

Kitchen

Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	hc1050
Olshwasher	Bosch	SRV53c03
Washer/Oryer	Ariston	W1020 EO
Microwave	GE	Stainless Finish
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	

Additional Finish Package

Sliding Glass Door	Crystal Window	Series 1240
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Flooring white oak stained black	Exobam	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		
Entry Light	Polished Chrome finish	

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

Unit D Finish Schedule

Bathroom

Walls	Limestone	
Floor	Limestone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
T14423-4-CP	Purist Shower Only Trim	
967-CP	Stillness Showerhead	
P304-KS-NA	Pressure Balance Valve	
9171-A / 9178	Decorative drain w/ throat for zurn 415 series - contemp style	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	

Kitchen

Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	hc1050
Dishwasher	Bosch	SRV53c03
Washer/Dryer	Ariston	W1020 EO
Microwave	GE	Stainless Finish
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	

Additional Finish Package

Sliding Glass Door	Crystal Window	Series 1240
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Flooring white oak stained black	Exobarn	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		
Entry Light	Polished Chrome finish	

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

Unit P Finish Schedule

Bathroom		
Walls	Lava Stone	
Floor	Lava Stone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
T14423-4-CP	Purist Shower Only Trim	
967-CP	Stillness Showerhead	
P304-KS-NA	Pressure Balance Valve	
9171-A / 9178	Decorative drain w/ throat for zurn 415 series - contemp style	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	
Kitchen		
Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	hc1050
Dishwasher	Bosch	SRV53c03
Washer/Dryer	Ariston	W1020 EO
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	
Microwave	GE	Stainless Finish
Additional Finish Package		
Sliding Glass Door	Crystal Window	Series 1240
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Closet pull	Omnia	36S/00
Pocket door lock	Accurate	2002 CPDL-5
Flooring white oak stained black	Exobam	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

Unit F Finish Schedule

Bathroom

Walls	Limestone	
Floor	Limestone	
Ceiling	Benjamin Moore paint in eggshell finish	
14406-4-CP	Purist Basin Set With Low Gooseneck	
3489-0	Cimarron One Piece Toilet	
T14423-4-CP	Purist Shower Only Trim	
967-CP	Stillness Showerhead	
P304-KS-NA	Pressure Balance Valve	
9171-A / 9178	Decorative drain w/ throat for zurn 415 series - contemp style	
14436-CP	Purist 24" Towel Bar	
14443-CP	Purist Robe Hook	
14444-CP	Purist Toilet Paper Holder	

Kitchen

Walls	Benjamin Moore paint in eggshell finish	
Ceiling	Benjamin Moore paint in eggshell finish	
P23063-00-CP	Laura Kirar Kitchen Faucet with Sidespray	
P23062-00-CP	Laura Kirar Soap Dispenser	
3325-NA	9.5" Deep Stainless Steel Kitchen Sink	
1895-C-CP	Soap Lotion Dispenser	
8801-CP	Duostrainer Sink Strainer	
Cooktop	Bosch	30"x20'
Oven	Bosch	HBL5035aVC/02
Refrigerator	Liebherr	hc1050
Dishwasher	Bosch	SRV53c03
Washer/Dryer	Ariston	W1020 EO
Microwave	GE	Stainless Finish
Kitchen Cabinetry	Ebony Stained wood finish w/ european style hardware	

Additional Finish Package

Sliding Glass Door	Crystal Window	Series 1240
Console heat pump unit	Trane	Size -012, 015, 019 (Sized by room size)
Entry Door	Solid core fire rated entry door w/ finished wood veneer	177976C
Interior Doors	Solid core door w/ finished wood veneer	177976C (sizes vary by door opening)
Entry lockset	Omnia	2036S/00
Privacy latchset	Omnia	36S/00
Passage latchset	Omnia	36S/00
Flooring white oak stained black	Exobam	ASI Flooring FLEFL013 Prefinished w/3.5 mm hardwood wear layer on engineered bamboo substrate
Recessed lighting fixtures	Jesco	2K/L101
Recessed lighting fixtures	Jesco	2K/L102
Vanities	custom constructed prefinished wood	Ebony Stained Wood Finish
Glass shower door and enclosure		Frameless Glass Enclosure
Wired for Ipod		
Entry Light	Polished Chrome finish	

All walls and partitions other then what has been specified to be painted with Benjamin Moore eggshell finish.

EXHIBIT "B"

DESCRIPTION OF PROPERTY

DESCRIPTION OF PROPERTY AND SPECIFICATIONS
254 PARK AVENUE SOUTH CONDOMINIUM
254 Park Avenue South
New York, New York

A. Location of Property

1. This existing 13-story mixed use building project is located on the north west corner of East 20th Street and Park Avenue South in the borough of Manhattan, City of New York. The existing 13-story structure will remain in place.

2. The building is situated on Block No.: 849 Lot No.: 36 Upon Conversion each residential unit, and retail units will have individual tax lot designations.

3. The existing Building is located within the C6-4A and M1-5M Zoning District Located in the Midtown district of Manhattan, this is not within a NYC Landmark district and does not have Landmark Status. The Building is 95 Years Old and was originally constructed as a Commercial Loft Building in 1913. In 1978 the Building was converted to Residential and Retail use.

4. The Legal uses existing comply with all Zoning requirements, and are as per the existing approved Department of Buildings Certificate of Occupancy. The predominant use of this building is residential and is located above the Cellar floor. The Sub-Cellar will be used for the boiler room, gas meter room and mechanical rooms. The Cellar and First floor use will be commercial retail, and residential. The commercial uses allowed are defined by Use Groups listed in the NYC Zoning Resolution. Permitted uses included within this use group consist primarily of retail stores and personal service establishments, offices, or public service establishments. Examples of such uses include retail stores, art galleries, banks, barbershops, tailors, dry cleaners, eating and drinking establishments, and professional offices. The remaining portion of the First through Thirteenth floors will be Residential units.

B. Status of Construction

1. Renovation of existing unoccupied apartments is being proposed. The final number of Units in the Building will be 124 Units total. The work is being performed under Alteration No. 104598918 filed with the NYC Dept. of Buildings - Amended 4-27-07

2. Class of Construction: The construction classification for this building is classified as Class 1, non-combustible (New Code) and conforms to all applicable regulations of the Building Code of the City of New York ("Building Code").

3. Certificate of Occupancy: Existing Certificate of Occupancy No. 79085 to remain. If any changes to the building require a new Certificate of Occupancy, it is the obligation of the Sponsor at its own cost and expense to apply for a Certificate of Occupancy (preceded, if appropriate, by a temporary Certificate of Occupancy) for the Building from the Department of Buildings of the City of New York. The certificate of occupancy will be obtained within 2 years from the date of closing

4. The renovation work will include:

   Renovating existing floors Sub-Cellar thru Penthouse. Renovate Apartments and combine certain units to create larger living units. The renovation of the apartments will include renovating kitchens, bathrooms and closets with new fixtures, finishes and appliances. Replacement of flooring, doors, hardware and trim, new light fixtures,

switches, outlets and related wiring. All wall and ceiling surfaces will be primed and painted. Corridors will be modernized with new finishes and light fixtures. Passenger elevators will be modernized. Create new entrance lobby and retail spaces. Replace windows and install new storefront at ground floor.

Minor modifications to site work proposed; sidewalk and curb shall remain and will be repaired; the rear yard will be modified.

Existing building systems to be upgraded, including heating, ventilation, air conditioning, partial plumbing, partial electric and modifying the existing fire standpipe and sprinkler system.

Façade repair and maintenance to face brick and appurtenances per Local Law 11.

C. Site

1. Based upon information contained in site maps prepared by Sanborn and Documents obtained from the New York City Building Department. The total lot area for 254 Park Avenue South is Approximately: 11,500 SF Total Area.

2. The existing building at 254 Park Avenue South is thirteen stories. The Approximate Square Foot breakdown of the building is: Sub-cellar - 2,900 SF, Cellar - 14,500 SF, First Floor - 10,300 SF; Second Floor- 9,800 SF (4,166 SF to be removed during construction); the Third through Penthouse Floors is 10,500 SF+/- each.
The total existing combined building floor area (Floors: Sub-cellar, Cellar, One, Two, Three thru Penthouse) of 254 Park Avenue South is approximately 154,000 SF (the building is approximately 149,834 SF after removing the 4,166 SF from the 2nd floor).
The Building is a single Mixed Use building for Residential, and Commercial use.

3. The street to the South of the site, East 20th Street, is paved with asphalt topping and is in fair condition. The street to the East of the site, Park Avenue South respectively, is paved with asphalt topping, and is in fair condition.

   i) The existing concrete curbs will remain on East 20th Street and Park Avenue South.
   ii) The sidewalks will remain or be repaired in accordance with the regulations of NYC Department of Transportation.
   iii) The street is presently pitched to drain through existing catch basins to the New York City storm water drainage system.
   iv) Present street lighting is by pole-mounted fixtures and will be provided, operated and maintained by the City of New York.

   All sidewalks are existing and will be repaired to comply with the requirements of the New York City Department of Transportation and any other agency having Jurisdiction.

4. Sidewalks and Ramps/Landscaping

   i) As described above, the existing sidewalk paving that defines the edges of the site on 20th Street and Park Avenue South is in fair condition and will be repaired.

   ii) As described above, existing sidewalk curbs along 20th Street and Park Avenue South is in fair condition and will be repaired.

iii) All sidewalks will comply with the requirements of the New York City Department of Transportation and any other agency having jurisdiction.

D. Utilities

1. Electricity: Underground electric service will be provided by Con Edison Company at 120/280V, 3 phases, 4 wires to electric service switchboard and distribution panels located in the cellar electric service room. Each Condominium Unit will have a single phase, 208 volt circuit breaker panel.

i) Commercial unit will be separately metered and paid by the owners of such units or their tenants. The electricity consumed in the Common Areas of the building will be metered by the Con Edison Co, including residential units, Master Meter, and the cost of the same will be borne by the Condominium Unit Owner's as a common expense. Each residential unit will be electrically sub-metered and paid by each Unit Owner.

ii) Average Condominium Unit electrical panels will have a 30-pole capacity and will be rated at 125 amperes.

iii) The average Condominium Unit will have 30 circuits, adequate to power lighting, heat pumps, kitchen appliances (gas range, microwave, refrigerator, dishwasher and electric oven.) and convenience outlets.

iv) Each condominium Unit will have ceiling light fixtures in the kitchens and bathrooms. The individual Condominium Unit Owner, via a switch plug outlet, will provide the remainder of the lighting.

v) General outlets will be provided in each room as required by the New York City Electrical Code.

vi) Fire pump and fire protection system will be fed from service side of service switch

vii) Emergency lighting will be provided for the corridors, stairs and common areas, using emergency lights that are backed-up by battery back-up, to provide emergency power.

2. Gas: Gas is provided by Consolidated Edison Company, Inc. (Con Ed). The existing low pressure gas service will be provided to serve the gas meters located in the sub cellar gas meter room. One meter will be for the boiler heating. There will be twin gas meters to serve the gas hot water heaters, boiler ignition and apartment cooking ranges. One meter will be provided for the rooftop HVAC unit. Provisions will be made for future gas meters for each retail space. A gas booster will serve the existing heating boiler.

i) Any gas consumed in the Commercial unit will be separately and independently metered and paid for by the Owner of such Units. The cost of the gas consumed in the residential section of the building (including all gas used for heating, cooking or domestic hot water purposes in the Condominium Unit) will be paid by the Unit Purchaser as part of their Maintenance Charges.

3. Water and Sewer: The Water and existing sewer services will be supplied from The City of New York. Street utilities domestic water for the building will be master metered and with sub-meters provided for the Commercial Facility spaces.

4. Telephone: Telephone service will be provided by a communications or telephone company. Each Unit Owner will be required to pay the telephone charged associated with his or her Unit. Similarly, the charges with respect to the telephones in the Commercial Facility will be separately paid for by the Owners of such Facility. The telephone charges with respect to the public residential areas of the Building (such as the doorman/concierge's desk, maintenance offices, etc) will be borne by all Residential Unit Purchasers as part of their Common Charges.

5. Cable & Television: Cable television service will be provided by service provider. Each Condominium Unit Purchaser who desires to obtain such service will be required to pay the monthly service directly to the cable company. Cable TV outlets will be provided. Each Condominium Unit owner will be responsible for arranging final connections, obtaining a service account for maintenance of wiring within the Condominium Unit and for the cost of cable television use for their individual Condominium Unit. The building will not be equipped with a master television antenna system.

E. Sub-soil Conditions

No subsurface or structural work is proposed that would require geotechnical reports. No subsurface water conditions regarding water infiltration to the building is present. If the status of this changes or structural work is proposed then appropriate investigations and reports will be prepared and made available for review.

F. Landscape & Enclosure

The Building does not have outdoor private roof terraces located at the roof level above the Penthouse floor. The roof is accessible through the (2) two Penthouse floor duplex units and the stair bulkheads. The roof is to be accessed for emergency egress and maintenance purposes only. The roof is not for residential use or for the exclusive use of the PH floor duplex units.

1. No grass cover exists on site.

2. No Trees exist on site along the sidewalk. No new trees are proposed.

3. No fences will be provided.

4. No gates exist on site.

5. There are no garden walls on site.

6. There will be no display pools or fountains.

7. Existing inner courtyard will remain.

G. Building Height

1. The height of the Existing Building (to roof deck) from the mean curb elevation at each street frontage is

Park Avenue South:	Approx. 165'
East 20th Street:	Approx. 165'

2. There is one partial Sub-cellar in the Existing Building. The Sub-Cellar floor-to-ceiling height of the building is approx. 16-0".

3. There is one Cellar in the Existing Building. Cellar floor-to-ceiling height is approx. 10'-0".

4. The Ground (1st) floor-to-ceiling height of the building is approximately 8'-6" for the residential unit portion and approximately 17'-0" for the commercial and residential lobby portion. There are 13 floors above grade

   Except in certain areas with dropped ceilings and soffits, the approximate floor-to-ceilings heights of the above grade residential units are as follows:

2nd floor:	8'-0" Approx. (Average of high and low points)
3rd floor:	13'-6" Approx. (Average of high and low points)
4th floor:	13'-6" Approx. (Average of high and low points)
5th Thru PH floor:	11'-6" Approx. (Average of high and low points)
PH Duplex:	11'-0" Approx. (Average of high and low points)

5. Equipment Rooms: The height from the top of the roof deck to the top of the elevator Bulkhead is approximately 16'-0".

6. Parapets/Roof Railings: There are existing parapets that vary in height with a high point of an approx. 8'-0" high for the parapet facing East 20th Street and Park Avenue South. The parapet along the courtyard at the roof above the Penthouse floor with an approx. height of 3-6"

H. Occupancy

1. Residential Units: There will be 124 residential apartment units within this building Located from the 1st floor through PH Floors.

2. Sub-Cellar: Boiler Room, gas meter room and mechanical rooms.

3. Cellar: Utility Spaces including electrical, telephone room, water meter and fire pump rooms, compactor room, Residential Common Spaces are located in the Cellar including Residential Recreation Lounge, and Fitness room along with Retail space and accommodations accessory to Commercial/Retail or Residential Uses.

4. First Floor: Retail Commercial space, Residential Lobby, Residential Units located on the First floor.

5. The floor numbering systems for Construction and marketing are identical: Although there is a 13th Story; it is designated as the Penthouse Floor Sub-cellar, Cellar, and Floors (1) One through (PH) Penthouse, and Roof.

I. Dimensions of the Units

The approximate gross area measurement of every residential unit, and retail space will consist of the area measured horizontally from the exterior face of the exterior walls of the existing Building to the centerline of the partitions separating one unit from another unit, and to the centerline of the wall separating one unit from corridors, stairs, elevators, and other mechanical spaces or any common elements (as herein after defined).

The individual terraces will be measured from the adjoining exterior wall to exterior wall surrounding the terrace. Terraces will be measured from exterior face of window to exterior face of guard railing or Parapet and from centerline of the divider separating one terrace from another.

All dimensions are approximate and subject to construction variances and reasonable tolerances. Dimensions are overall within a room or space.

J. Structural System

The following description is based upon an initial visual inspection, which occurred on October 18, 2005 along with subsequent site visits and review of Property reports and records of the property.

The existing structure of 254 Park Avenue South consists of concrete foundations, masonry walls, Steel Columns, Beams, Girders and Concrete floors and is scheduled to remain.

Any future alterations to the Building must be approved by the NYC Department of Buildings and other agencies having jurisdiction.

K. Building Exterior

1. Exterior walls are existing. North, South, East, and West are Masonry with windows and/or terraces. The existing exterior walls consist of exterior face brick or CMU block and terra cotta with several wythes of interior back–up masonry, and interior plaster finish over wood furring. The exterior wall is comprised of mostly single pane double hung window (approx. 75%) with poor R-value that does not meet Energy Code requirements. The Roof is a modified bitumen roof with aluminum coating over sloped rigid insulation with varied thickness (approx. R-10). The existing exterior walls and roof is not compliant with NY State Energy conservation construction code.? Minor façade repairs are required in accordance with NYC Local Law 10/11. Refer to attached report on exterior facades from I. Leonard Messer, P.E.

2. Windows: The existing windows will be replaced at the facades facing Park Avenue South, 20th Street and the Courtyard. New windows will be provided within the Residential Units throughout the building. The windows along Park Avenue South and 20th Street are aluminum double insulated glass double hung windows installed in existing openings. The windows facing the courtyard will be replaced with Operable aluminum double insulated glass sliders and fixed transoms. The new windows and sliding doors are manufactured by Crystal Window Corporation and meet NYS Energy Code requirements. The windows have a 5-year manufacturers warrantee regarding defects. Existing sliding doors will be replaced with aluminum double insulated glass sliders at terraces. Existing sills and lintels are in good condition with the exception of items requiring repair are indicated in the attached Local Law 10/11 report.

3. Lot Line Windows: There are lot line windows located at PH A and PH B at the lot line The lot line windows are existing single pane with wire glass and steel frame and are scheduled to remain. These are not legal light and air windows. The lot line windows do not have sprinkler heads. These Windows are required by law to be sealed up if the adjacent property gets enlarged. There is no BSA or MEA approval for these existing windows that appear to be original to this existing building. If these windows get sealed up it will not effect the Habitable rooms in these apartments.

4. Balconies and Terraces:
No Balconies are provided at residential units. Terraces are provided as noted in section W, "Unit Information". Deck finish at Terraces is non skid concrete. Terraces are enclosed with a painted metal guardrail to a height of 3'-6" for the exclusive use of the units where Terrace is located. Exclusive access to the terraces is provided only from the units with sliding doors to the terrace. Some units may have windows that look onto terraces but will not have access or rights to use terraces.
Access Doors to private Terraces will be aluminum sliding doors with double insulated glass.

L. Exterior Entrance

1. Building will have separate entrances for the 2 uses, a single residential entrance, and individual retail entrances. The entrance to the Residential Lobby is located Park Avenue South and is accessed from the sidewalk along Park Avenue South. The residential entrance will be wheelchair accessible and is adequately illuminated as not to present a security hazard.

2. The entrance to the Retail spaces are provided along the Park Avenue South and East 20th Street Facades.

3. Service Entrances: A new service entrance will be provided at the Westerly portion of the building along 20th street.

4. Exterior Doors and Frames:
The entrance to the Residential Lobby is entered from the exterior by a pair of metal and glass hinged doors. The Retail spaces are entered through glass doors along the Park Avenue South façade, and along the 20th Street façade.

5. Exterior Stairs: No exterior stairs exist.

6. Railings: Painted metal railings are provided at interior stairs.

8. Mail Boxes: Mail is to be placed in government approved individual mailboxes located near the Residential Lobby.

9. Lighting: New ceiling and/or wall mounted lights are provided in the Residential Lobby.

10. Canopies: New canvas canopy will be installed at the Residential Lobby entrance.

M. Roof and Roof Structures

1. Material: New roof membrane over rigid insulation on existing concrete slab.

2. Insulation: New sloped rigid insulation.

3. Expected Useful Life: Approx. 15 years, manufacturer to provide warrantee.

4. Flashing Material: Bituminous and Metal base flashing.

5. Parapet Finish: Masonry parapet with terra cotta, cast stone and metal copings with Steel bracing. The Parapets and coping appear to be in good, safe condition and are structurally sound.

6. Drains: Material and Type: Cast-iron body, located at all roofs with a minimum of at least one drain;

7. Skylights: There are existing metal ridge vented skylights with wire glass and steel frame at stair bulkheads, as required by code, and also located at Residential Duplex PH (M).

8. Bulkheads,Chimney and Elevators: Existing residential Elevator and Stair bulkhead constructed with a Steel Frame and Masonry exterior walls. Existing Chimney serving Residential Boilers located adjacent to Elevators is masonry with a stone cap.

9. Stairs: Existing metal pan stairs from cellar through 13th story rooftop with concrete masonry unit enclosures are located within the stair bulkheads. The stair and elevator bulkheads have a brick veneer exterior.

10. Metal Work at Roof Level:
Vertical Ladders: existing steel ladders provide access to elevator and stair bulkheads, and to mechanical equipment located at roof level.

11. Roof Top Facilities:
The condominium and board of managers will have unlimited access to all areas of the building including but not limited to all residential units, retail space, commercial, common residential space, all roofs and cellar upon reasonable notice for the purpose of making inspections and repairs.

Any additional roof top construction requires approval and permits from the New York City Department of Buildings.

There are no fire escapes. Fire egress is provided to all residential units via interior corridors to the 2 existing independent Fire exit stairs.

12. Yards and Courts: There is one court existing with this building, otherwise the site is Fully developed.

    i. Paving at courts; existing concrete surface to remain

    ii. All courts are drained with at least one drain piping material.

    iii. Railings: n/a

    iv. Stairs: n/a

    v. Fencing: n/a

13. Interior Stairs

Number of Stairs: There are 2 egress stairs in the existing Building. The stairs service the cellar level up to the PH Floor and roof level. There are 2 access stairs within the PH floor residential duplex units to the Roof level for exclusive use of the duplex units that the access stairs serve.

Enclosure:
Egress Stairs are enclosed in 2 hour fire rated concrete masonry unit construction, Access stairs within Residential duplex units are unenclosed and wood construction.
Access stairs to mezzanines and storage lofts are metal construction.

Stair Construction: Existing egress stairs are concrete and steel pan Construction in good condition and doors leading to exit stairs are self closing fire rated hollow metal with a 1 ½ hr rating .

Stringers: All Exit stairs have steel stringers.

Treads: Exit Stairs have Concrete treads. Access stairs have steel treads

Risers: All Exit stairs have Steel risers.

Guard Rails: All Exit stairs have Steel pipe guard railings.

Handrails: All Exit stairs have Steel pipe hand railings.

14. Interior Doors and Frames:
Unit Entrances: Residential unit entrances are approx. 3'-0" x 7'-10" fire rated doors and frames or maximum height available and meet the New York City Building Code requirements. The residential interior doors are wood doors with painted wood frames. The retail unit entrance doors are metal and glass in metal frames.
Stair Doors and Frames: All doors leading to egress stair or room/spaces located on egress corridors have 3'-0"x7'-0" hollow metal doors fire rated with hollow metal frames and meet the New York City Building Code requirements.
Roof Doors, Cellar Doors and Frames: These doors and frames are hollow metal, fire rated and meet the New York City Building Code requirements.

15. Elevators:
There are three (3) passenger elevators servicing the Building; Cellar, 1st Floor, and Floors 2 thru PH. The existing elevators and controls will be upgraded and modified. All elevators will double as Service elevators. Each cab has a design capacity of 2,500 pounds and sized to accommodate 6 people. The elevators are placed within 2 hour fire rated shafts. They are traction type passenger elevators manufactured by Roberts Elevator. The elevators are approx. 12 years old 2,500 pound capacity with an average speed of 300 ft/min. All motors, controllers and cables are located in the elevator machine room in the cellar and at the rooftop.
Required certificates of inspection and permits for the operation of the elevators have been issued and inspected on a regular basis by the NYC Department of Buildings.

16. Elevator Cabs:

Elevator cabs will be modernized with new finishes and control panels. The walls will be covered with wood panel veneer and tile floor.

The lighting of the cab is incandescent down-lighting. Elevator cabs are equipped with communications equipment.

The doors to the shafts are steel two-speed sliding doors with a metal cladding at the Ground floor and baked enamel finish at all other floors. The doors to the cabs are metal clad. The Elevators and Cabs are in good condition.

N. Auxiliary Facilities

1. Laundry facilities: There will be a common laundry facility in the Building. Washer and electric dryer units are provided at each unoccupied residential condominium unit for individual use. See Schedules for individual unit equipment specification.

2. Refuse Disposal:

Incinerators: None
Compactor: Compactor to be provided
Chute: Refuse chute to be provided

3. Storage: No residential common area storage is provided. Certain units have storage lofts for the exclusive use of the individual residential unit owner.

4. Storage Location: The trash bags are stored inside Refuse storage room in cellar until they are transferred to street for pick up by NYC Department of Sanitation. Retail spaces are responsible for the removal of their own rubbish and trash.

The trash bags from the residential units will be picked up curbside by the New York City Department of Sanitation.

O. Plumbing and Drainage

1. Water Supply:

Potable water will be supplied via New York City public water system. The water service pipe material will be cast iron cement lined pipe.

Domestic hot and cold water system for the Residential units are horizontally distributed at the roof level from a roof tank to water risers, placed within fire rated shafts. Branch piping of hard copper tube are provided to all plumbing and kitchen fixtures, kitchen appliances and mechanical equipment. Residential Hot water will be provided by a tankless hot watercoil located in the boiler.

2. Domestic Cold Water System Distribution:

Water supply will be from the triplex booster water pump system located in the cellar level. Pumps will take suction from a 6" metered supply from East 20th Street municipal water main. A double check valve (DCV) Backflow Preventer will be positioned downstream from the meter.

i. The existing hot and cold water systems will be revised and updated. The existing building consists of two (2) hot and cold water zones known as the low zone and the high zone. The low zone consists from the sub cellar to the 8th floor with a distribution main up feed system on the 2nd floor up to the 8th floor. The 9th floor to the 13th floors including the main roof is considered the high zone.

ii. There are existing hot and cold water mains on the 13th floor ceiling that will be reused to serve the high zone hot and cold water systems as a down feed system

iii. The triplex booster water pumps in the cellar serve the two hot and cold water zones.

iv. The high zone hot water supply line connects to the existing hot water distribution main on the 13th floor.

v. All hot and cold water riser connections from the distribution mains on the 2nd and 13th floors are provided with riser control valves located in the corridor on the 2nd and 9th floors. ??

vi. All hot water supply lines are provided with hot water circulation piping and the riser control valves that are located in the corridor on the 2nd and 9th floors.

vii. The existing hot and cold water risers and piping will be reused wherever possible with the addition of new cold, hot and circulation piping installed to suit revised kitchen and bath areas.

viii. Pressure reducing valves control the water pressure to maintain a maximum 85 p.s.i to any one fixture. The minimum water pressure to the highest fixture shall be 15 p.s.i

ix. The cold water risers and mains parallels the hot water risers and mains.

x. Hot water for the low zone is generated with hot water coils in the existing boiler and also from an independent hot water heater with the hot water supply piping connected together to a common hot water mixing valve.

xi. The high zone hot water system is generated from duplex water heaters located in the roof mechanical room.

xii. All existing and new water mains and risers will be insulated.

xiii. The retail hot and cold water piping may be provided from the building system plugged hot and cold water outlets. When the retail tenant connects to the plugged outlets the hot and cold water supply lines will be sub metered by the building tenant.

xiv. The retail tenant will also generate their own hot water supply from local electric water heaters to suit their plumbing fixture needs if required.

xv. The piping material for existing and new cold, hot and circulation piping is copper type "L".

xvi. Water Storage:
The existing buildings roof gravity combined domestic water and standpipe tank and the two pneumatic tanks will be replaced by Triplex domestic water booster pumps and an automatic electric fire pump.

xvii. Water Pressure:

The domestic water system is designed to provide adequate water flow with the use of (3) 130 g.p.m booster water pumps. Water is then distributed from the pumps throughout the building. Water is distributed through all existing and new water risers of copper type "L" to all plumbing fixtures and equipment requiring water.

Existing and new water piping system is designed not to exceed a velocity of 8-10 fps with design flow conditions.

xviii. The domestic hot water temperature to all plumbing fixtures will be 120 degrees F. The water temperature will be controlled by a hot water mixing valve located at the water heater and source of supply. Flow conservation devices will be provided on all water supplies to all showers. Backflow preventers and vacuum breakers will be provided as required to protect the domestic water supply. Air chambers are provided at the top of all risers and throughout the piping system to prevent water hammer.

xix. Expansion compensators and loops will be provided on hot and cold water circulation piping risers and mains greater than 50 feet in length.

3. Fire Protection Systems:

I. The building is protected with a partial combination automatic wet fire sprinkler and standpipe system in accordance with the City of New York Building and Fire Codes.

II. The sprinkler and standpipe system will be supplied primarily with water from a new six (6) inch fire protection water service connected to the New York City water main on East 20th Street with a double detector check backflow preventer with a bypass meter. This system will be served by a fire pump with a capacity of 500 gpm and a jockey pump installed in the cellar mechanical room. The charges for water used in the sprinkler and standpipe system will be borne by the Condominium as a common expense to the individual Condominium Unit Owners.

III. The secondary source of the water supply is from a combined fire standpipe and sprinkler siamese connection located within 15'-0" from the corner on East 20th Street. The Siamese size is 6"x3"x3" with the caps painted yellow.

IV. The existing building J-2 residential occupancy is not required to have fully sprinkler protection throughout the building. Sprinkler protection is provided in the sub-cellar and cellar areas where existing sprinkler system is presently to be revised to suit the new architectural layout. In addition, sprinkler protection will be provided in the residential trash opening chute on every other floor, starting from the top most chute opening and at the chute vestibule on all floors.

V. The retail spaces in the cellar area and first floor will be protected, if required in accordance with New York City Building Code. Sprinklers to be provided by the tenant from plugged outlets provided from the buildings fire supply system. The retail spaces will be filed by the tenants under separate applications for their sprinkler and standpipe system.

VI. All floor control valves will be provided with a water flow alarm and tamper switch wired to a sprinkler alarm. All control valves greater than 7'0" above the floor will be provided with a steel ladder for access.

VII. The sprinkler heads will be upright pendant and sidewall types. The piping material will be schedule 40 black,steel pipe.

VIII. The building is equipped with an existing standpipe system which will be modified and the existing 4" riser in the stair will remain without the existing hose racks. From the 1st floor to the 13th floor the hose racks will be removed and the existing 2 ½ " angle valves will be provided with a cap and chain. On the 1st floor a new riser control valve with a tamper switch will be provided. On the roof a 4"x3"x3" roof manifold will be provided along with a hose rack.

IX. In the sub cellar, cellar and first floor a hose rack will be provided with 125 feet of 2 ½ hose attached to the existing fire standpipe piping.

X. The piping material will be schedule 40 black steel pipe.

XI. A Fire Department hose cabinet and a Fire Department locked key cabinet will be located on the ground floor with-in the lobby area.

4. Sanitary Sewage System:

i. The sanitary sewage system will be gravity type that is connected to the existing 10" combined sanitary and storm sewer flowing to Park Avenue South.

ii. All sanitary drainage piping that cannot drain by gravity will be connected to a sewage ejector system in the cellar and sub-cellar areas.

iii. Sanitary piping will be cast iron no hub and galvanized steel pipe. Sewage ejector pump discharge piping and below grade. Piping will be cast iron service weight with mechanical joints.

5.Storm Drainage System:

i. The storm drainage system will be gravity type connected to municipal existing combination storm and sanitary sewer that flows to Park Avenue South.

ii. Storm piping will be cast iron throughout. No hub piping and galvanized steel pipe will be used above grade. Cast iron service weight pipe with mechanical joints will be used below grade. Schedule 40 galvanized steel pipe will be used for sump pump discharge piping.

iii. Storm drains will be located at the main roofs and courtyard. The system will be adequately sized and there will be at least one drain on a terrace.

iv. Storm piping that cannot drain by gravity will be connected to sump pump system.

v. A floor drain or submersible sump pump will be provided in the elevator shaft pit.

6. Gas Supply:

i. Consolidated Edison Company, Inc (Con Ed) existing 8" gas service will supply low-pressure gas supply. A gas booster will be provided for the boiler gas supply pressure.

ii. There will be two (2) twin meters for Condominium Unit kitchen cooking, boiler ignition and water heaters. One meter will be for the building heating boilers and one (1) meter for rooftop corridor HVAC units. All gas fired units, both for common areas and for the individual Condominium Units, will be borne by the Unit Owners as a general common expense. Provisions will be made for future gas meters to serve each retail space tenant.

iii. Piping will be black steel with threaded malleable iron fittings, pipe sizes greater than 4" will be welded joints.

7. Permits Required:

All permits and approvals to be obtained as required to perform construction.

P. Heating

1. Method:

i. The heating system for the building will consists of an existing low-pressure steam boiler equipped with a gas burner supplied with natural gas.

ii. Heating system that is provided for Retail and Residential units is capable of maintaining legally required conditions under anticipated weather conditions prevalent in the NYC Region.

iii. The boiler is equipped with tank-less coil and will be used for domestic hot water for the low zone system. In addition, the boiler will be used for heating the commercial area at 1st floor cellar and sub cellar. Additional standby domestic water heater will be installed in the Boiler room.

2. Domestic Hot Water:

i. Domestic hot water for the residential section will be generated by tank less coils in the existing steam boiler for the low zone together with a new domestic gas fired water heater located in the sub cellar gas-fired domestic duplex, water heaters will be provided for the high zone to generate hot domestic water.

ii. Domestic hot water heater in cellar 500 gallons storage 2800 g.p.h (40 degrees to 140 degrees) 100 degree rise and controlled by master hot water mixing valve.

iii. The heat pump units will be console for heating and cooling with built-in thermostats as manufactured by McQuay, Trane or approved equal.

iv. The temperature of the heat pump loop will be maintained automatically by heating during winter via steam to the water heat exchanger and cooling during the summer via cooling tower on the roof.

3. Number of Boilers and Description:

i. Heating for Retail is provided by an existing boiler located in the sub cellar that Produce steam and converted to Hot water via a new heat exchange unit. This Boiler also produces supplemental domestic hot water for the lower zone Of the residential portion of the building. Retail Boiler is manufactured By A.L. Eastmond is rated for 5,198 MBH output and is approx.40 years old, and has been overhauled and refurbished and is in good working condition. The anticipated life of this boiler is approx. another 30 to 40 years and will then require replacement.

ii. Heating for Residential is provided by (2) New hot water Boilers manufufactured by Telldyne Laars or equal is located on the roof mechanical room and is rated for 2,088MBH output.

4. Types of Controls:

i. Full Modulation, electric automatic firing system.

5. Fuel:

i. Natural gas at 100,000 BTUH per (CFH)

ii. Duplex hot water gas heaters on the roof 300 gallon storage, heat 1000 g.p.h (40 degrees to 140 degrees) with a mixing valve.

Q. Gas Supply

Gas will be supplied by Consolidated Edison Company and utilized for cooking, heating boilers , hot water heaters and the buildings gas rooftop HVAC units, including future retail spaces with a restaurant.
Type: Natural Gas

Meters: Master twin gas meters for cooking, boiler ignition and domestic water heaters. Meter for boilers independent heating and a gas meter for HVAC equipment on the roof. Future meters provided for retail spaces. Piping material will be scheduled 40 black steel pipe up to 4" pipe size and welded pipe and fittings 5" and larger.

R. Air Conditioning

1. The residential section of the building will be provided with a console and/or vertical stack heat pump units capable of maintaining inside temperature of 78 degrees Fahrenheit and 55% relative humidity when outside temperatures are 90 degrees Fahrenheit D.B and 74 degrees Fahrenheit W.B. and 72 degrees Fahrenheit inside when outside temperature is 15 degrees Fahrenheit. Cooling load assumes that the unit residents will use internal blinds, shades or similar window treatment during the cooling system.

2. The air conditioning for the main lobby will be provided by a horizontal ceiling mounted heat pump unit with a capacity of at least 5 tons.

3. The AC units for heating and cooling of the Condominium Units will be via heat pump units.

4. Each unit will be provided with shut-off valves and controls.

5. The telephone room, elevator machine room and compactor room will be provided with AC units.

6. A cooling tower is located on the roof for heat pumps close circuit loop cooler to serve the heat pump loop with a capacity of 400 tons.

S. Ventilation

i. The Residential units are naturally ventilated by operable windows and/or sliders on the Park Avenue South, East 20th Street, and courtyard facades.

ii. Separate exhaust ducts from each Residential Unit tied to common exhaust ducts up to the roof are provided for kitchenettes. The exhaust fans are roof-mounted and maintained by building management.

iii. Separate exhaust ducts from each Residential Unit and Retail space tied to a common exhaust to the roof are provided for all Bathrooms and toilet rooms.The exhaust fans are roof-mounted and are maintained by building management

iv. Gas-fired roof top units operating with 100% outdoor air will provide the ventilation of the residential corridors.

v. Windowless areas like bathrooms and/or kitchens will be mechanically ventilated to the exterior. The laundry room will be vented with a separate exhaust system and supply fan.

T. Electrical

1. Services

Existing Electric Service to be upgraded to 4,000 amp, 120/208 volts, 3 phase 4 -wire located in the cellar.

A new Telephone service is provided and will be available by Verizon or other service providers for Residential and Retail space service. It is the responsibility of the individual unit owner to arrange for service to the residential or retail unit

Cable TV service is available from Time Warner or other service provider for residential units only. It is the responsibility of the individual unit owner to arrange for service to the residential or retail unit

2. Metering
Con Edison meters are provided for building Common Area Service and Retail space.
Separate meter banks are provided to retail units
Meters are located in the cellar. Apartment units are electronically sub-metered.

3. Distribution/Utilization Systems
Distribution voltage is 120/208 volts, 3 phase, 60 Hz for Elevator controllers, motors and related equipment, A/C units, Hot water and heating equipment and systems for all common areas and Retail space. New110/208 volts, single phase individual service is provided for all residential units.

Individual 120/208 volt, 3 wire type MC cable risers are provided, strategically located to serve stacked residential circuit breaker panels.

4. Wiring and Raceways

Wiring:

All existing wiring in occupied units to remain, All existing wiring for unoccupied units is scheduled to be removed and new wiring to be provided in new raceway.

In general, all feeder cables are copper conductor with type THHN insulation or Metal-Clad 'MC' cable.

In general, all branch circuit wiring is copper conductor with insulation, armored cable where concealed or EMT where exposed and/or Metal-Clad 'MC' cable.

Raceways:
Any new Raceways if installed will be EMT in general. Rigid galvanized steel will be used for conduits embedded in concrete or underground if installed.

Armored cable (BX) will be utilized for any existing and new distribution for concealed branch circuit wiring, where permissible by code.

5. Wiring Devices:

Receptacles are standard specification grade, 125 volt, 2 pole 3 wire, grounded, 15 ampere for convenience and 20 ampere or as required for appliances circuits. GFI type outlets are provided within 6 ft of sinks and in bathrooms.

Local toggle switches will be standard specification grade quiet type, 15 ampere.

6. Service Equipment, Distribution Panels and Metering:

Service switches are new bolted pressure type with 200,000 ampere interrupting capacity. Distribution panels will consist of
QMQB type switches and or current breaker type as indicated on drawings and fuses grouped in a panel, approved for use in NYC

New panels are sheet steel, zinc chromate and painted finish.

Distribution panels have copper buses.

7. Residential Unit Panels:

Each renovated Residential Unit is provided with new 100 or 150 Amp Panels that are Load center circuit breaker type, with On, Off and Trip positions and new branch circuits, with new capacities to remain.

8. Emergency Lighting:

Exit signs, stair lights and selected exit and utility space lights are battery backed-up to provide emergency power upon loss of utility power. They are located throughout the building in accordance with NYC code requirements.

9. Lighting and Power:

Switched lighting fixtures will be new in all Bathrooms of unoccupied units, Entries and Kitchens. In all occupied units lighting fixtures are to remain.

Ground fault receptacles are provided in Bathrooms and Kitchenettes.

Appliance and convenience outlets are new in accordance with NYC Electrical Code.

Roof is provided with receptacles for maintenance and general use.

10. Sprinkler Alarm / Smoke Detection System:

An Interior sprinkler Alarm smoke detection System will be provided. The retail spaces may need an (IFA) depending on the future occupant. If this is required for that occupant then the installation of the system will be provided by that occupant in accordance with all agencies having jurisdiction.

Sprinkler flow and tamper alarms are provided as required by Code.

Individual residential units are provided with stand-alone smoke and carbon monoxide detectors outside sleeping areas.

Area smoke detection is provided for mechanical and electrical spaces over 75 SF in accordance with the NYC Building Code.

U. Intercommunication / Security / Television

The Residential units are provided with an intercom system and/or via telephone, permitting the occupants of the residential units to communicate with the residential lobby.

Telephone service wiring is provided to all unoccupied residential units. Each residential unit must establish a separate account with a service provider for telephone service.

Cable television wiring is provided to all unoccupied residential units. Each residential unit must establish a separate account with a service provider for cable service.

Each unoccupied residential unit will be provided with a single dedicated Cat 5 ipod wire from the nearest closet to the entry to a location designated by Sponsor. No audio visual equipment will be provided by Sponsor. It is the responsibility of the unit purchaser to purchase and install any and all audio visual equipment.

V. Public Area Lighting

Lighting is furnished to the public areas of the Building through fluorescent and/or incandescent fixtures.

W. Garage and Parking Area: None

X. Tennis Court / Playgrounds / Recreation Facilities:

Tennis Court: None

Playgrounds: None

Recreation Facility:

A residential common recreation facility is provided in the Cellar for recreational use. This will also include a Residential Lounge with Poker table, Billiard table, Bar, and Fitness room will be located in the Cellar.

Y. Permits and Certificates:

1. The following Permits and Approvals will be obtained as required:

New York City Department of Buildings:
General Construction and Plumbing Permits
HVAC, Equipment Use Permit
Certificate of Occupancy

Elevator Certification and Inspections

Certificate of completion from the Bureau of Electrical Control

New York City Department of Transportation

New York City Fire Department

Local law 10/11 façade certification: Façade inspection is required every five years on all buildings six stories in height or taller to certify that all projections and appurtenances are structurally sound. Upon completion of façade repairs the Building will require Local law 10/11 certification.

General Building Condition is that this is a 95 year old structure with upgrades during the late 1970's. The building is in good condition (with the recent completion of the exterior façade repairs) and with the exception of exterior façade repairs nothing immediately requires repairs or is currently a safety hazard. Refer to attached LL 10/11 report for specific information. Future repairs and replacement would include; mechanical systems, boilers and circulation pumps, rooftop water storage tank,

Z. Unit Information

Each of the unoccupied residential units includes the finishes and fixtures provided for in the schedule attached for each perspective unit within the residential space with partial upgraded mechanical, electrical, and plumbing systems in good working order.

There are (124) residential units in the Building.

There is retail unit located in the cellar and first floor of the building. The Cellar will contain retail space with Accessory retail storage and residential Common Space. The remaining portion of the Cellar is occupied with the lower level mechanical and miscellaneous building utility rooms.

Retail and Residential Units are provided as follows: Please refer to floor plans for details regarding each individual unit.

Unit Location/Designation	Unit Type	Unit Description
Cellar Floor Retail. Space	Commercial	Commercial Retail Tenant Space
First Floor Retail Space	Commercial	Commercial Retail Tenant Space
First Floor Res. Unit –N/0	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
First Floor Res. Unit -O	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, 1 Bedroom
First Floor Res. Unit -P	1 Bedroom	Living Rm., 1 Bedroom, Closets Kitchenette, Bathroom
First Floor Res. Unit -R	1 Bedroom	Living Rm., 1 Bedroom, Closets, Kitchenette, Bathroom
Second Floor Res. Unit –M	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
First Floor Res. Unit –N/0	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Second Floor Res. Unit –P/R	2 Bedroom	Living Rm., 2 Bedrooms, Closets Kitchenette, Bathroom
Second Floor Res. Unit -B	1 Bedroom	Living Rm., Kitchenette, Bathroom Closet, 1 Bedroom
Third Floor Res. Unit -A	2 Bedroom	Living Rm., 2 Bedrooms, Closets Kitchenette, Bathrooms
Third Floor Res. Unit -B	1 Bedroom	Living Rm., 1 Bedroom, Closets Kitchenette, Bathroom
Third Floor Res. Unit -C	1 Bedroom	Living Rm., 1 Bedroom, Closets Kitchenette, Bathroom
Third Floor Res. Unit -D	2 Bedroom	Living Rm., 2 Bedrooms, Closets Kitchenette, Bathroom

Third Floor Res. Duplex Unit -G	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third Floor Res. Duplex Unit -H	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third Floor Res. Duplex Unit -J	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third Floor Res. Duplex Unit -K	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third Floor Res. Duplex Unit -L	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third Floor Res. Duplex Unit -M	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third Floor Res. Duplex Unit -N	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third Floor Res. Duplex Unit -O	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third Floor Res. Unit -P	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Third Floor Res. Duplex Unit -R	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Fourth Floor Res. Unit -A	2 Bedroom	Living Rm., 2 Bedrooms, Closets Kitchenette, Bathrooms
Fourth Floor Res. Unit -B	1 Bedroom	Living Rm., 1 Bedroom, Closets Kitchenette, Bathroom
Fourth Floor Res. Unit -C	1 Bedroom	Living Rm., 1 Bedroom, Closets Kitchenette, Bathroom
Fourth Floor Res. Unit -D	2 Bedroom	Living Rm., 2 Bedrooms, Closets Kitchenette, Bathrooms
Fourth Floor Res. Duplex Unit -G	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Fourth Floor Res. Duplex Unit -H	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Fourth Floor Res. Duplex Unit -J	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Fourth Floor Res. Duplex Unit -K	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine

Fourth Floor Res. Duplex Unit -L	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Fourth Floor Res. Duplex Unit -M	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Fourth Floor Res. Duplex Unit -N	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Fourth Floor Res. Duplex Unit -O	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Fourth Floor Res. Unit -P	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Fourth Floor Res. Duplex Unit -R	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Typical Floor Res. Unit -A	2 Bedroom	Living Rm., 2 Bedrooms, Closets Kitchenette, Bathrooms
Typical Floor Res. Unit -B	1 Bedroom	Living Rm., 1 Bedroom, Closets Kitchenette, Bathroom
Typical Floor Res. Unit -C	1 Bedroom	Living Rm., 1 Bedroom, Closets Kitchenette, Bathroom
Typical Floor Res. Unit -D	2 Bedroom	Living Rm., 2 Bedrooms, Closets Kitchenette, Bathrooms
Typical Floor Res. Duplex Unit -G	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Typical Floor Unit- HJ	1 Bedroom	Living Rm., Kitchenette, Bathroom Home Office, Closet, Mezzanine,Bedroom,
Typical Floor Unit- KL	1 Bedroom	Living Rm., Kitchenette, Bathroom Home Office, Closet, Mezzanine,Bedroom,
Typical Floor Unit –M	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Typical Floor Unit- NO	1 Bedroom	Living Rm., Kitchenette, Bathroom Home Office, Closet, Mezzanine,Bedroom,
Typical Floor Unit- PR	2 Bedroom	Living Rm., Kitchenette, Bathroom Home Office, Closet, Mezzanine,Bedroom,
Penthouse Floor Res. Duplex Unit -M	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Rooftop Penthouse
Penthouse Floor Res. Duplex Unit -R	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom, Rooftop Penthouse

Finish Schedule for Occupied Units to Remain:
(All existing finishes are to remain and are similar to the following:)

Space	Floor	Wall	Base	Ceiling
Residential Unit				
Entry	WD	PT/GWB	WD	PT/GWB
Living/Dining	WD	PT/GWB	WD	PT/GWB
Bedrooms	WD	PT/GWB	WD	PT/GWB
Kitchen	VCT	PT/GWB	WD	PT/GWB
Standard Bath	CT	CT/PT	CT	PT/GWB
Closet	WD	PT/GWB	None	PT/GWB
Retail Space				
Retail Area	CON	EXP	-	EXP
Toilet Room	CT	CT/PT	CT	PT/GWB

Abbreviations for Finishes

CON	concrete
CPT	carpet
CT	ceramic tile
DE	deck enamel
GWB	gypsum wallboard
GT	glass tile
MT	metal
PT	paint
S	stone
ST	stone tile
TER	terrazzo
WD	wood
VCB	4" vinyl base

Bathroom /Toilet Room Fixtures:
(All existing Occupied Unit fixtures are to remain and are similar to those listed below:)

Standard Bathroom: (Residential Unit)
Toilet: American Standard
Lavatory: Pedestal sink: American Standard
Lavatory faucet: American Standard
Bathtub: American Standard (no whirlpool)
Bath faucet: American Standard
Standard Toilet Room: (Retail Space)
Toilet: American Standard
Lavatory: Pedestal sink: American Standard
Lavatory faucet: American Standard

Kitchen Appliances (All appliances are existing and are similar to those listed below)

Refrigerator:	GE ; 21.7 cu. ft. with Top Freezer
Gas Range:	GE ; 30" Freestanding Range,
Hood:	Standard GE Exhaust Hood matched with range.
Dishwasher:	GE; Undercounter
Microwave:	GE ; microwave.
Sink:	American Standard; Stainless Steel.
Cabinets:	European style – Plastic Laminate.
Countertop:	Plastic laminate.

Abbreviations for Finishes

CON	concrete
CPT	carpet
CT	ceramic tile
DE	deck enamel
GWB	gypsum wallboard
GT	glass tile
MT	metal
PT	paint
S	stone
ST	stone tile
TER	terrazzo
WD	wood
VCB	4" vinyl base

Finish Schedule for Retail Units:

Finishes of Retail Spaces are as indicated in the table below:

Space	Floor	Wall	Base	Ceiling
Retail Space				
Retail Areas	CON	PT/GWB	CON	PT/GWB

Bathroom /Toilet Room Fixtures:

Standard Toilet Room: (Retail Space)
Toilet: To be furnished and installed by Retail Unit Owner
Lavatory: To be furnished and installed by Retail Unit Owner
Lavatory faucet: To be furnished and installed by Retail Unit Owner

Safety and Warning Devices:

Smoke Detectors and Carbon Monoxide Detectors as required by Code have been or will be installed in all units and common areas, elevator machine room and boiler room.
Fire alarm system if required for the Retail units, will be the responsibility of that individual Retail unit purchaser.

Copies of Asbestos and Lead Paint Reports attached for review.

Matt S. Markowitz, R.A.
November 23, 2006
Revised August 14, 2008

END OF REPORT

EXHIBIT "C"

ARCHITECT'S CERTIFICATION

CERTIFICATION BY ARCHITECT

June 23, 2008

State of New York
Department of Law
120 Broadway
23rd Floor
New York, New York 10271

Re: **254 Park Avenue South Condominium**
254 Park Avenue South, New York, New York

Gentlemen:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report disclosing the condition of the property (the "Report"). We visually inspected the property on June 17, 2008, and prepared the Revised Report dated June 23, 2008, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. We certify that the Report and all documents prepared by us disclose all the material facts which were then discernable from a visual inspection of the property. This certification is made for the benefit of all persons to whom this offer is made. We certify that the Report based on our visual inspection:

(i) sets forth in narrative form the physical condition of the entire property and is current and accurate as of the date of inspection;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property;

(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 the reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representations or statement made.

It is understood that all aspects of the physical condition of the property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Very truly yours,

Matt S. Markowitz, Architect, PC

Name: Matt S. Markowitz
Title: Principal Architect
NYS License # 022409

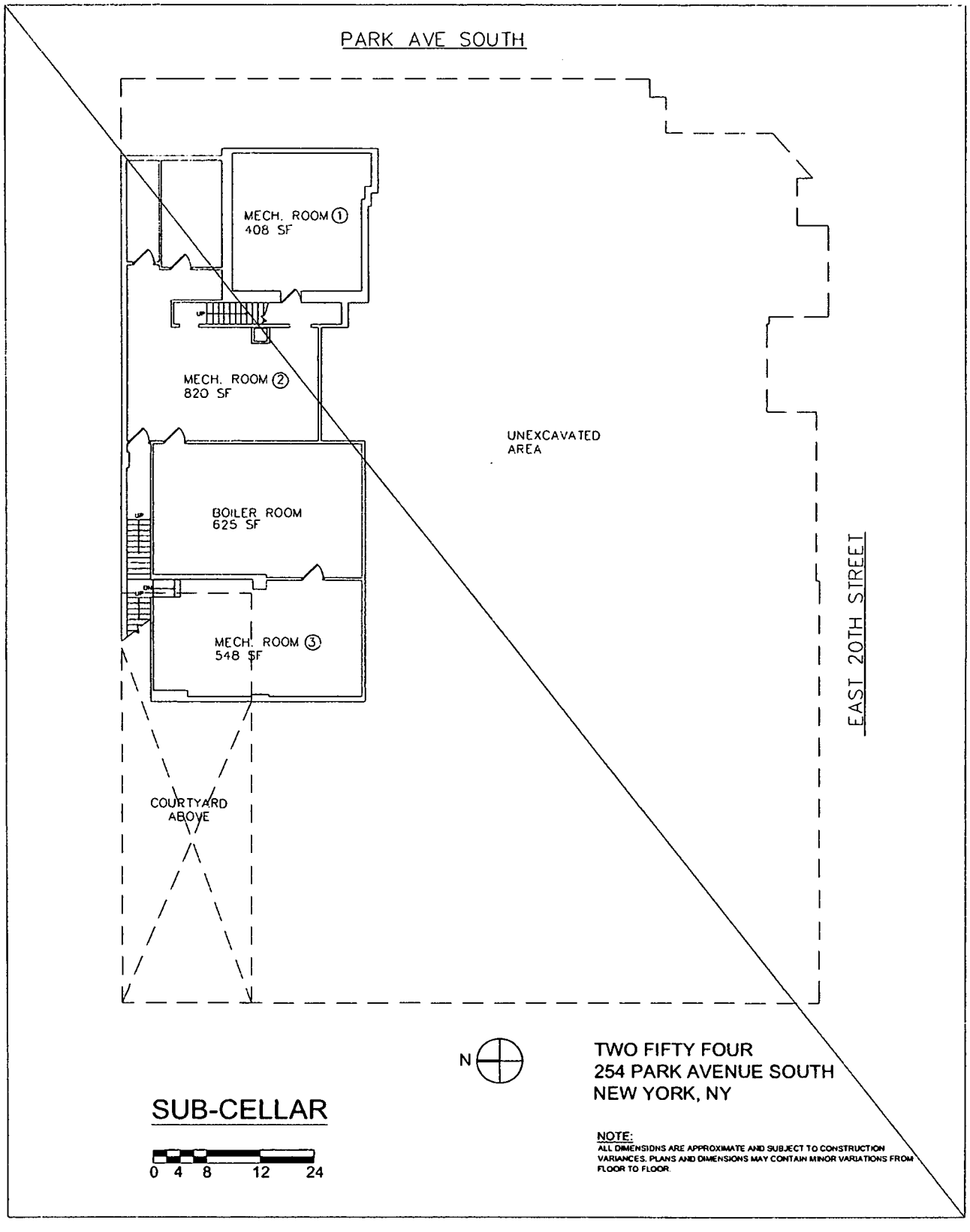
Sworn to before me this ___
day of _____, 2008

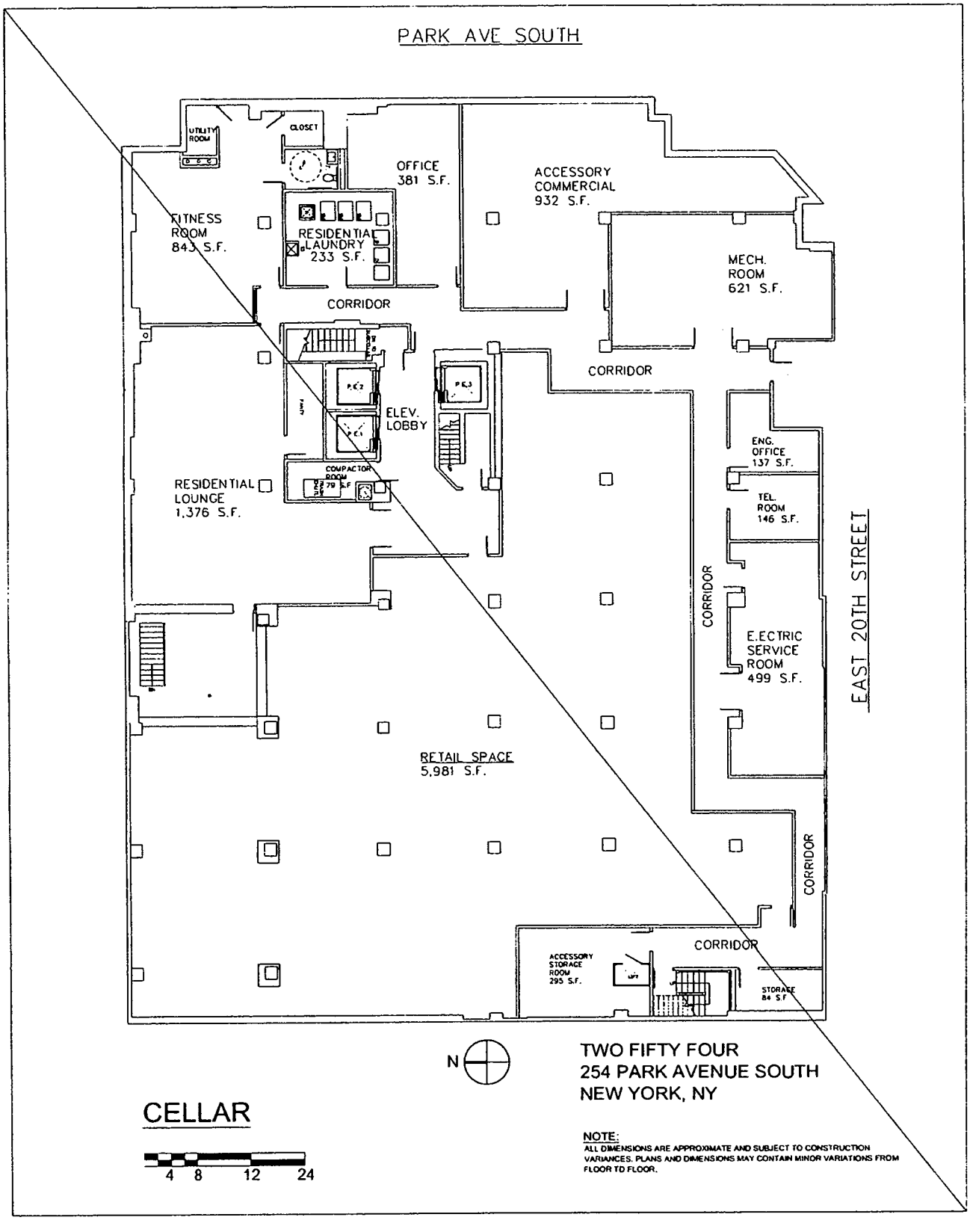
Notary Public

JULIE STEIN
Notary Public, State of New York
No. 01ST4775558
Qualified in Kings County
Commission Expires October 31, 20__

EXHIBIT "D"

FLOOR PLANS


PARK AVE SOUTH
MECH. ROOM ①
408 SF
MECH. ROOM ②
820 SF
UNEXCAVATED
AREA
BOILER ROOM
625 SF
MECH. ROOM ③
548 SF
EAST 20TH STREET
COURTYARD
ABOVE
N
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
SUB-CELLAR
0 4 8 12 24
NOTE:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.


PARK AVE SOUTH
UTILITY ROOM
CLOSET
OFFICE 381 S.F.
ACCESSORY COMMERCIAL 932 S.F.
FITNESS ROOM 843 S.F.
RESIDENTIAL LAUNDRY 233 S.F.
MECH. ROOM 621 S.F.
CORRIDOR
CORRIDOR
ELEV. LOBBY
ENG. OFFICE 137 S.F.
TEL. ROOM 146 S.F.
RESIDENTIAL LOUNGE 1,376 S.F.
COMPACTOR ROOM
CORRIDOR
E.ECTRIC SERVICE ROOM 499 S.F.
EAST 20TH STREET
RETAIL SPACE 5,981 S.F.
CORRIDOR
CORRIDOR
ACCESSORY STORAGE ROOM 295 S.F.
STORAGE 84 S.F.
N
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
CELLAR
4 8 12 24
NOTE:
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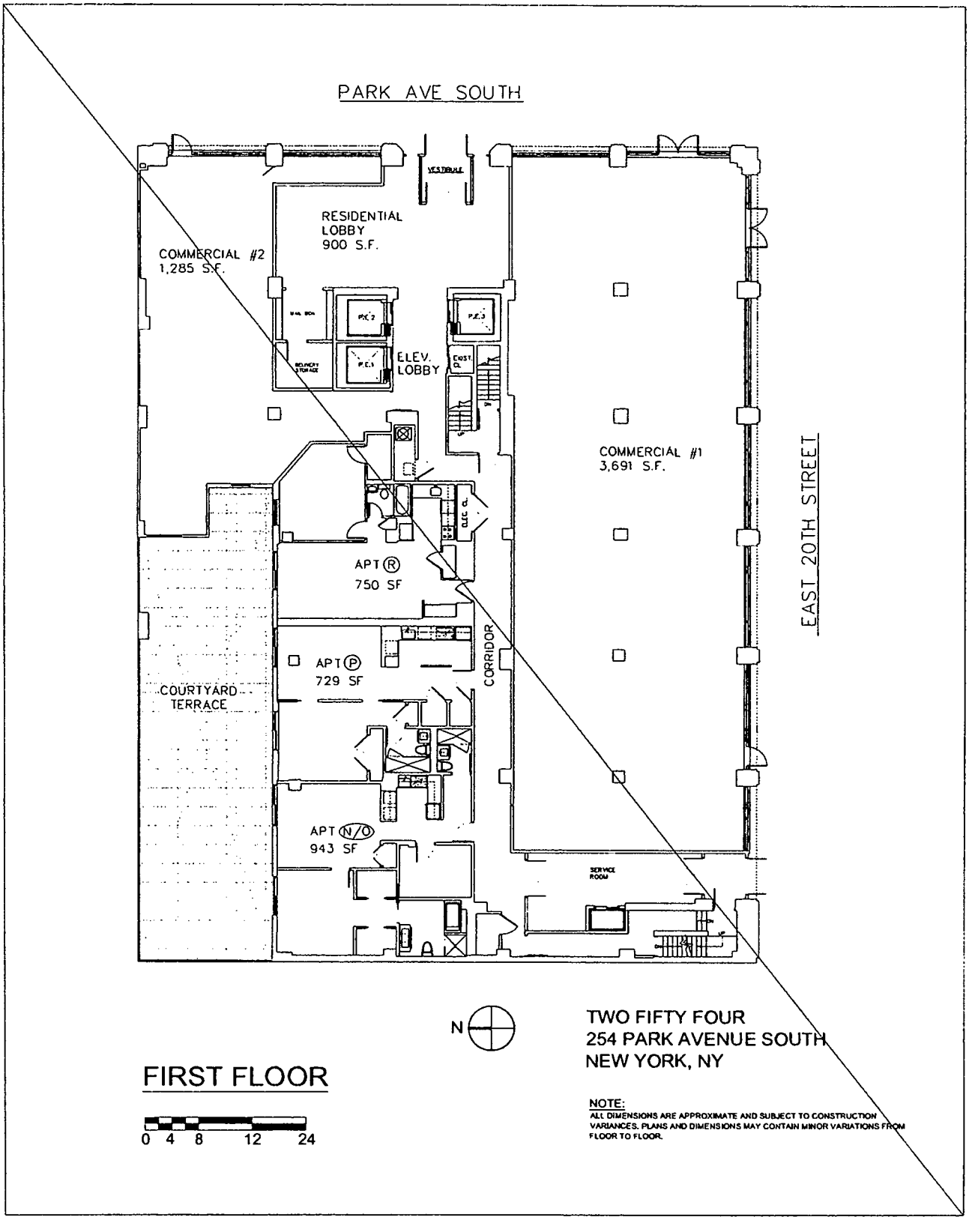
PARK AVE SOUTH
RESIDENTIAL LOBBY 900 S.F.
COMMERCIAL #2 1,285 S.F.
ELEV. LOBBY
COMMERCIAL #1 3,691 S.F.
EAST 20TH STREET
APT Ⓡ 750 SF
APT Ⓟ 729 SF
CORRIDOR
COURTYARD TERRACE
APT N/O 943 SF
SERVICE ROOM
N
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
FIRST FLOOR
0 4 8 12 24
NOTE:
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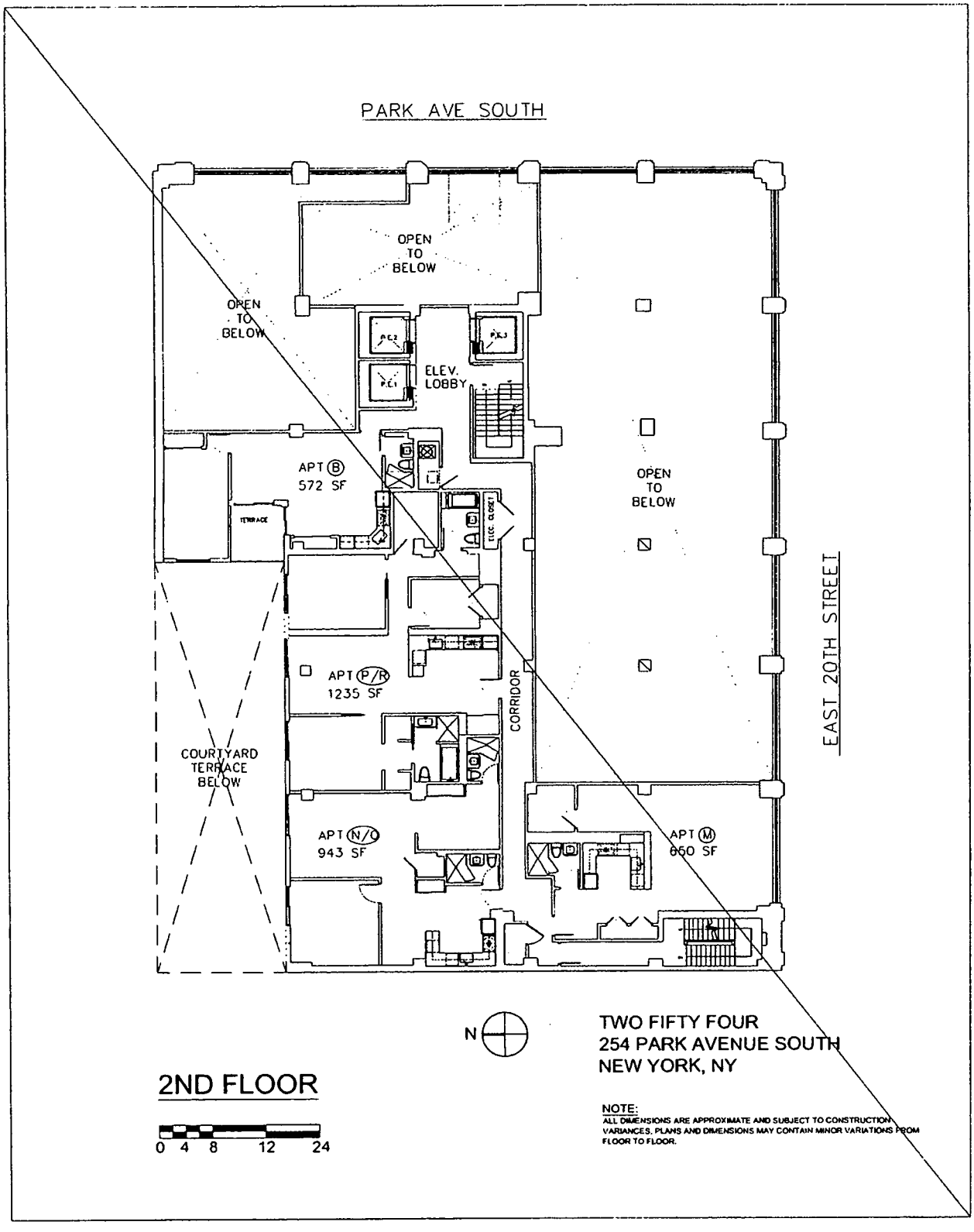
PARK AVE SOUTH
OPEN TO BELOW
OPEN TO BELOW
ELEV. LOBBY
APT (B) 572 SF
TERRACE
ELEC. CLOSET
OPEN TO BELOW
EAST 20TH STREET
APT (P/R) 1235 SF
CORRIDOR
COURTYARD TERRACE BELOW
APT (N/O) 943 SF
APT (M) 660 SF
N
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
2ND FLOOR
0 4 8 12 24
NOTE:
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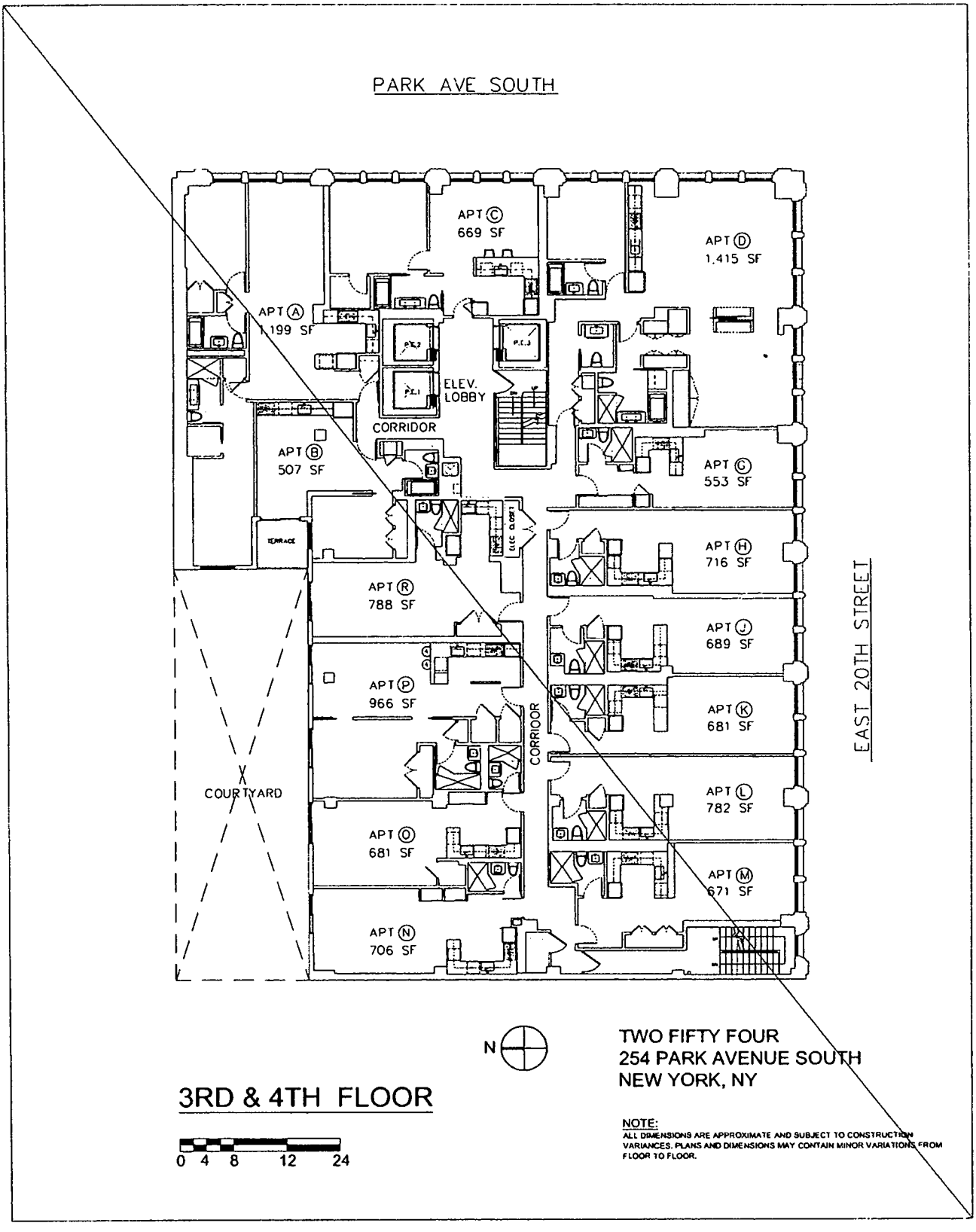
PARK AVE SOUTH
APT Ⓒ
669 SF
APT Ⓓ
1,415 SF
APT Ⓐ
1,199 SF
ELEV.
LOBBY
CORRIDOR
APT Ⓑ
507 SF
APT Ⓒ
553 SF
TERRACE
APT Ⓗ
716 SF
APT Ⓡ
788 SF
APT Ⓙ
689 SF
APT Ⓟ
966 SF
CORRIOOR
APT Ⓚ
681 SF
COURTYARD
APT Ⓛ
782 SF
APT Ⓞ
681 SF
APT Ⓜ
671 SF
APT Ⓝ
706 SF
EAST 20TH STREET
N
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
3RD & 4TH FLOOR
0 4 8 12 24
NOTE:
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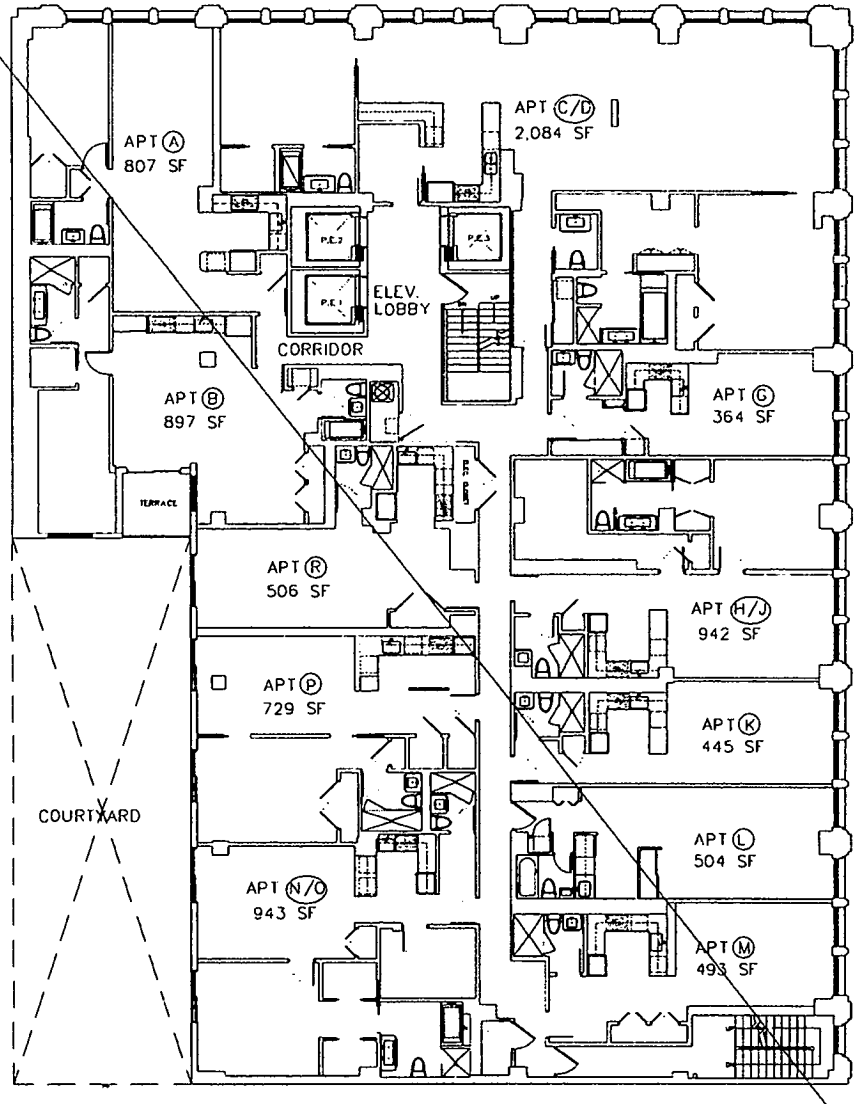
PARK AVE SOUTH



EAST 20TH STREET

5TH FLOOR

N

TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY

0 4 8 12 24

NOTE:
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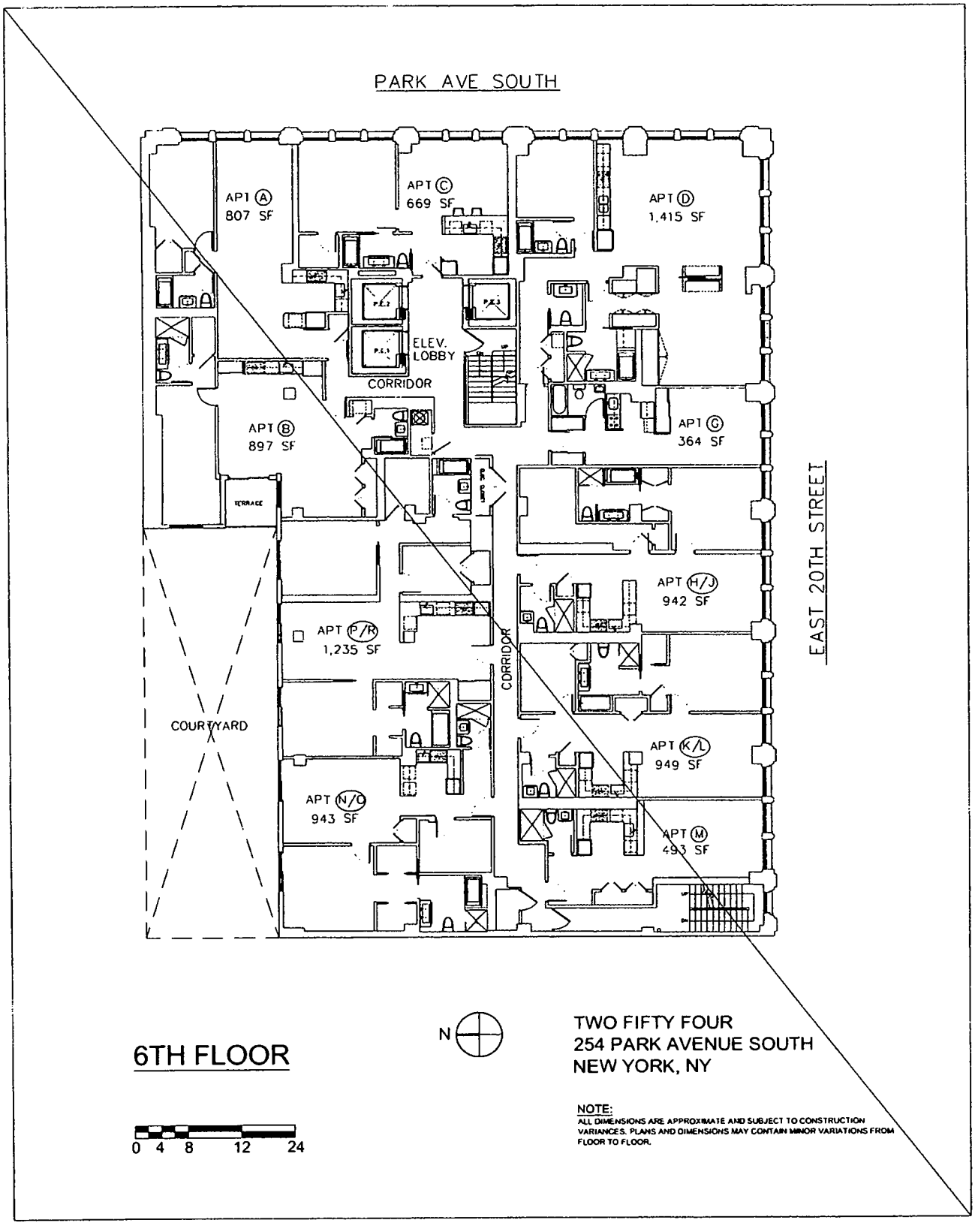
PARK AVE SOUTH
APT Ⓐ
807 SF
APT Ⓒ
669 SF
APT Ⓓ
1,415 SF
ELEV.
LOBBY
CORRIDOR
APT Ⓑ
897 SF
TERRACE
APT Ⓖ
364 SF
EAST 20TH STREET
APT Ⓗ/Ⓙ
942 SF
APT Ⓟ/Ⓡ
1,235 SF
CORRIDOR
COURTYARD
APT Ⓚ/Ⓛ
949 SF
APT Ⓝ/Ⓞ
943 SF
APT Ⓜ
493 SF
N
6TH FLOOR
0 4 8 12 24
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
NOTE:
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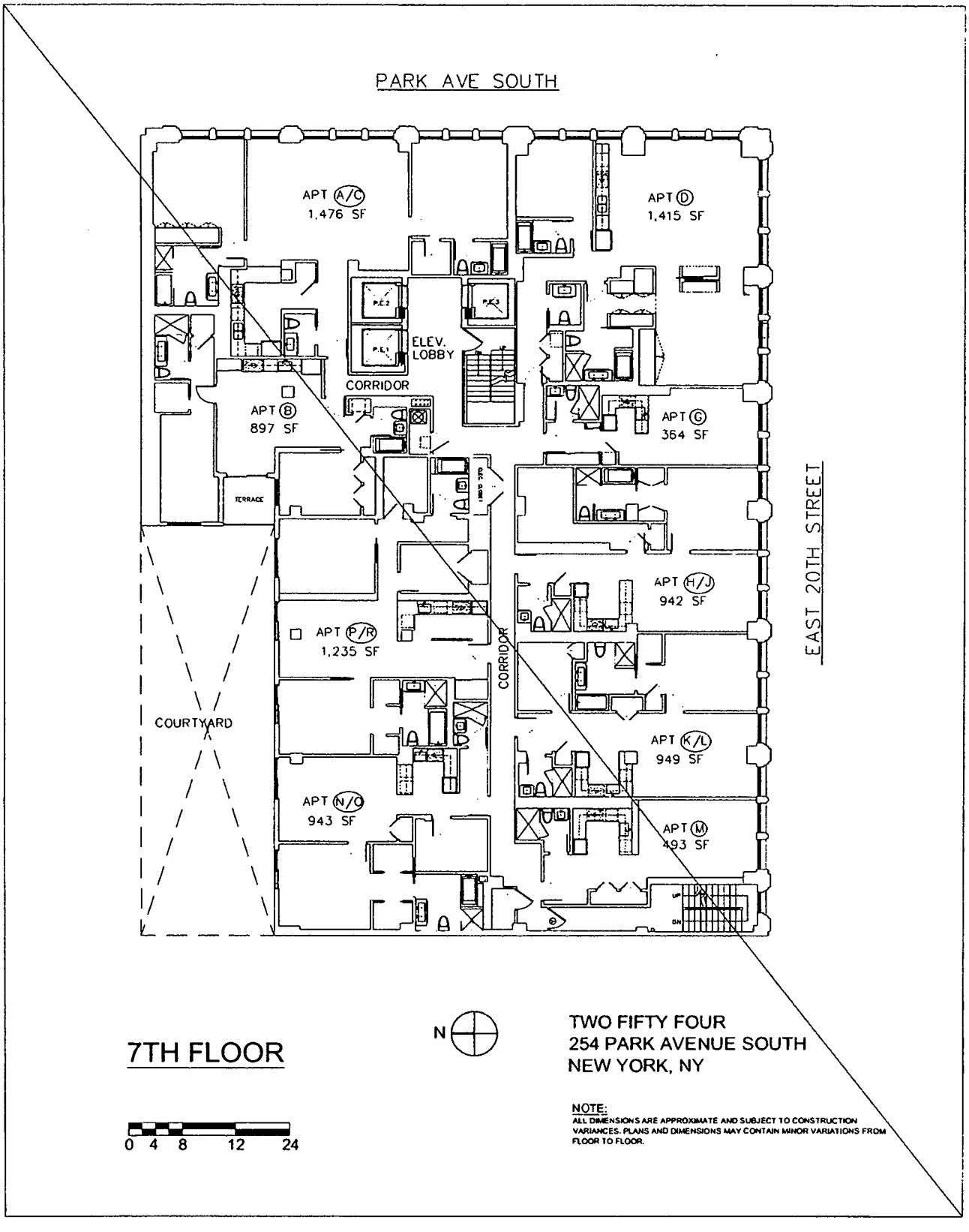
PARK AVE SOUTH
APT A/C
1,476 SF
APT D
1,415 SF
ELEV.
LOBBY
CORRIDOR
APT B
897 SF
APT G
364 SF
TERRACE
EAST 20TH STREET
APT H/J
942 SF
APT P/R
1,235 SF
CORRIDOR
COURTYARD
APT K/L
949 SF
APT N/O
943 SF
APT M
493 SF
7TH FLOOR
N
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
0 4 8 12 24
NOTE:
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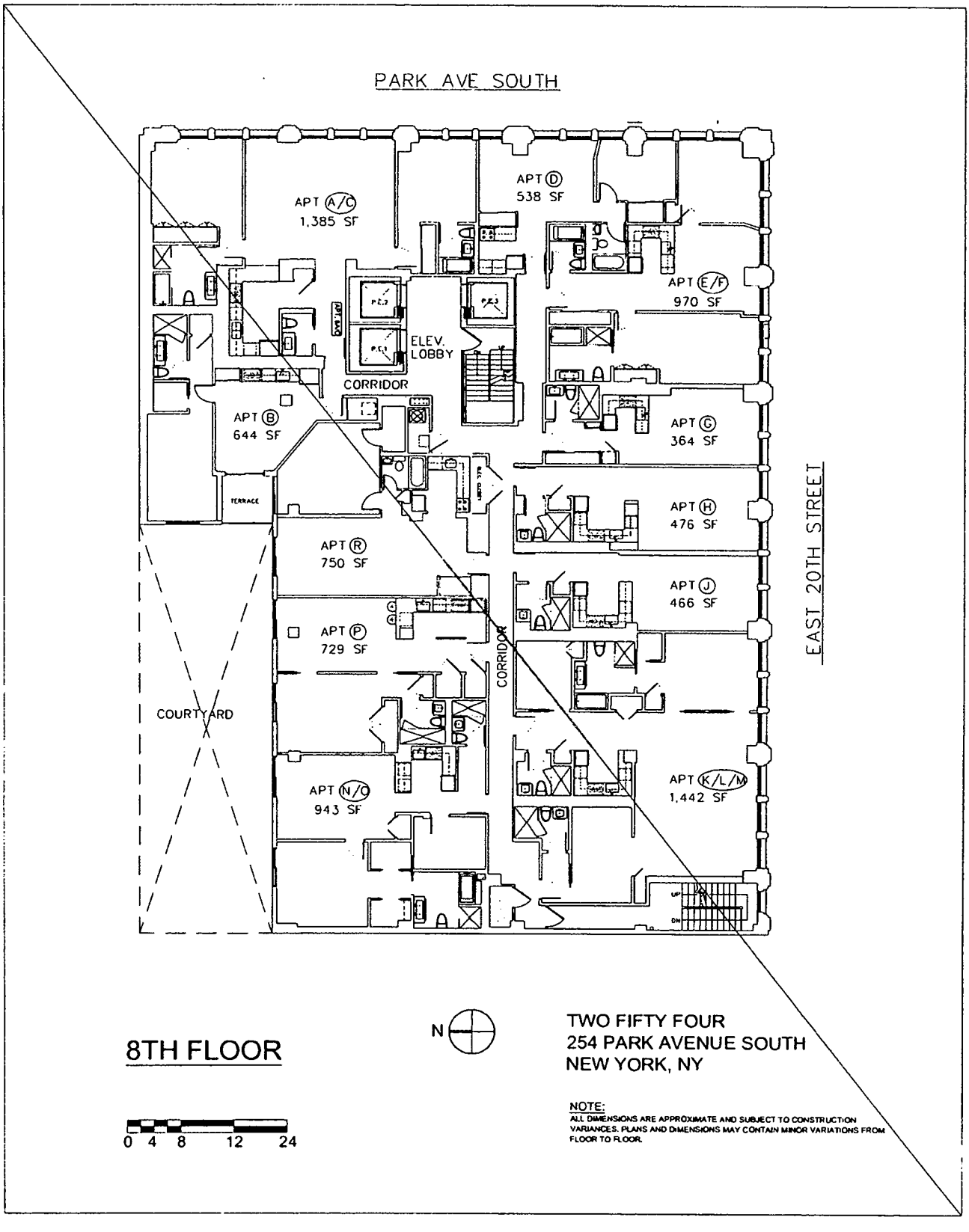
PARK AVE SOUTH
APT A/C
1,385 SF
APT D
538 SF
APT E/F
970 SF
ELEV.
LOBBY
CORRIDOR
APT B
644 SF
APT C
364 SF
TERRACE
APT H
476 SF
APT R
750 SF
APT J
466 SF
APT P
729 SF
CORRIDOR
EAST 20TH STREET
COURTYARD
APT N/O
943 SF
APT K/L/M
1,442 SF
8TH FLOOR
N
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
0 4 8 12 24
NOTE:
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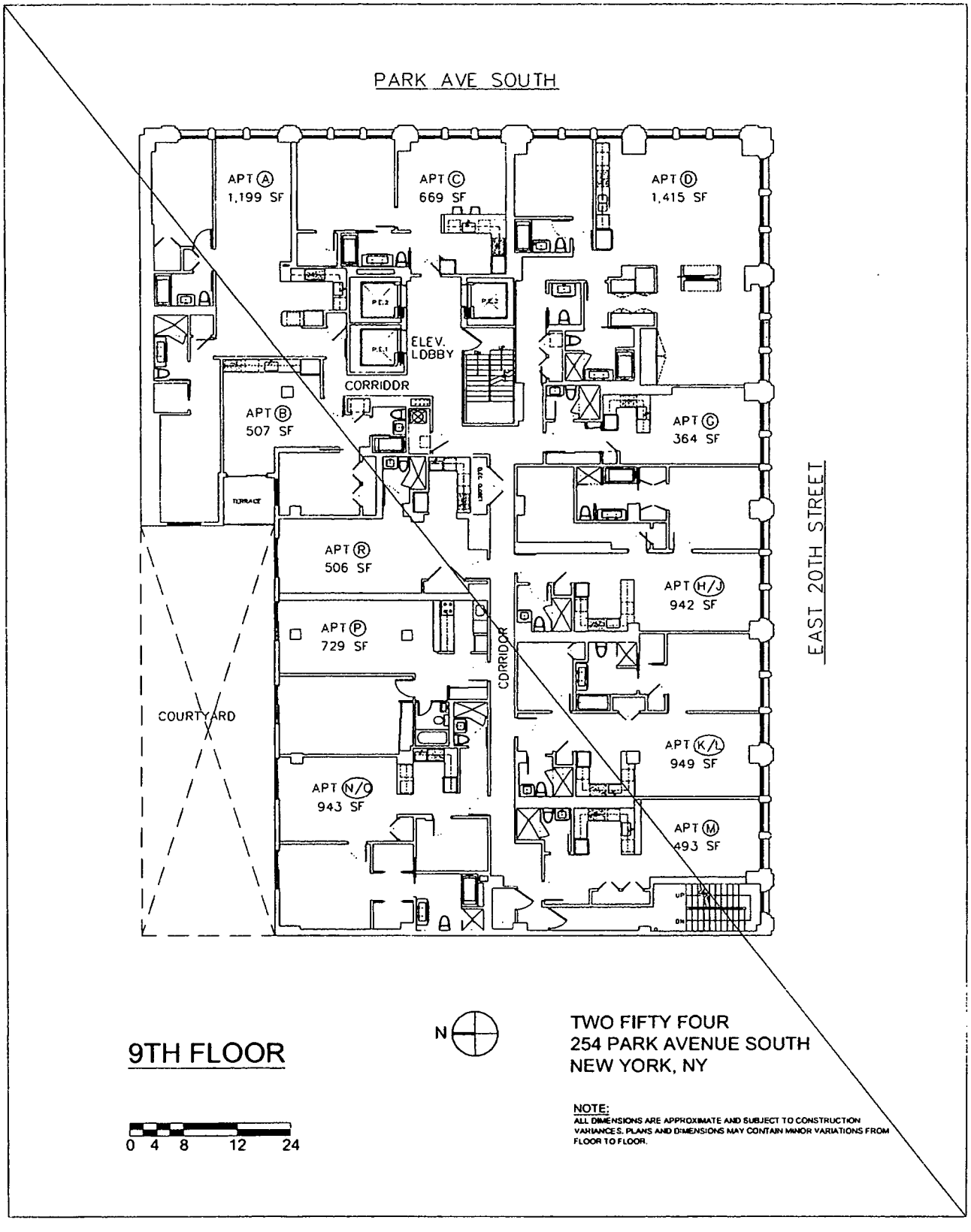
PARK AVE SOUTH
APT Ⓐ
1,199 SF
APT Ⓒ
669 SF
APT Ⓓ
1,415 SF
ELEV.
LOBBY
CORRIDOR
APT Ⓑ
507 SF
APT Ⓒ
364 SF
TERRACE
APT Ⓡ
506 SF
APT H/J
942 SF
APT Ⓟ
729 SF
CORRIDOR
COURTYARD
APT K/L
949 SF
APT N/O
943 SF
APT Ⓜ
493 SF
EAST 20TH STREET
N
9TH FLOOR
0 4 8 12 24
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
NOTE:
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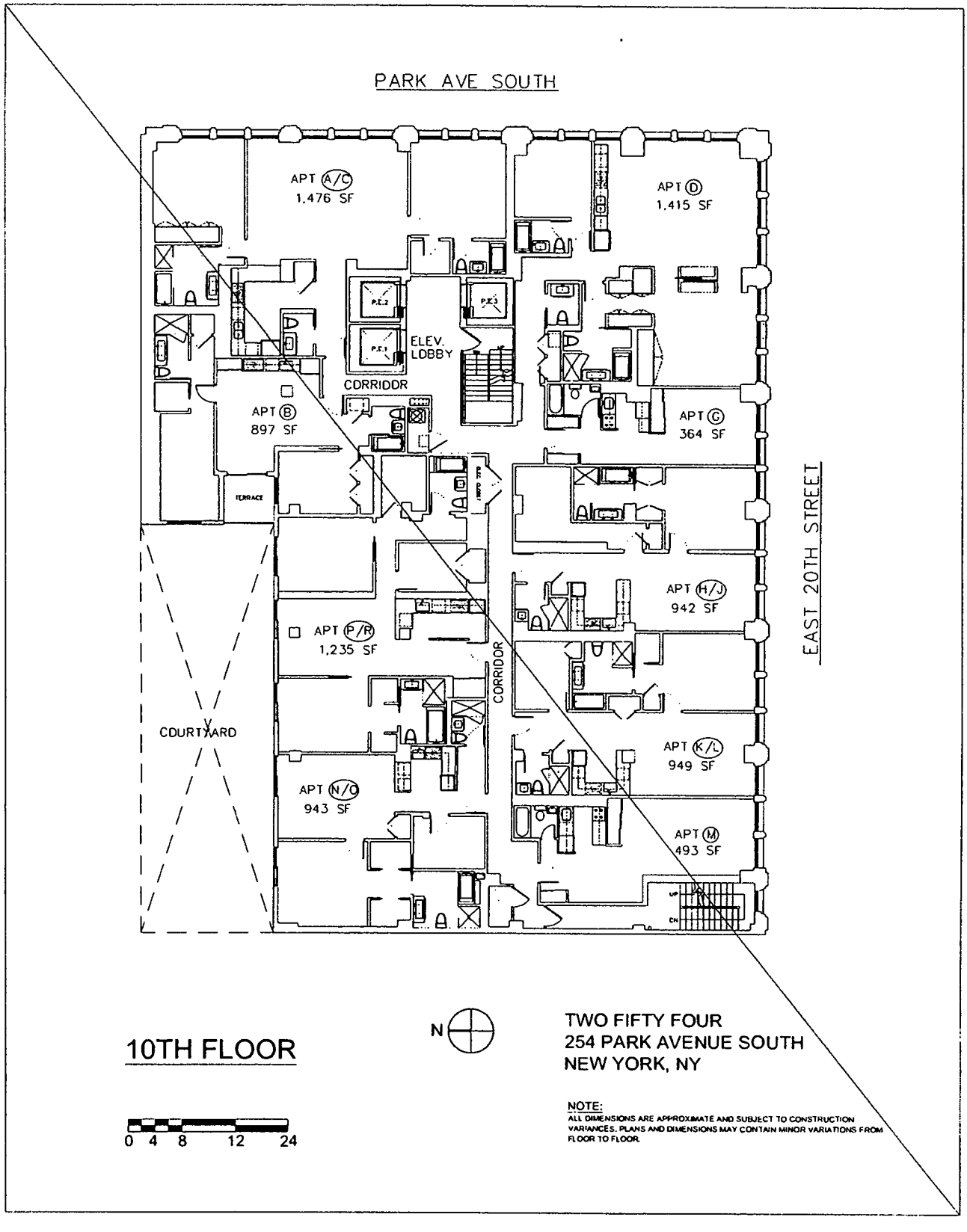
PARK AVE SOUTH
APT A/C
1,476 SF
APT D
1,415 SF
ELEV. LOBBY
CORRIDOR
APT B
897 SF
APT C
364 SF
TERRACE
EAST 20TH STREET
APT H/J
942 SF
APT P/R
1,235 SF
CORRIDOR
COURTYARD
APT K/L
949 SF
APT N/O
943 SF
APT M
493 SF
10TH FLOOR
N
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
0 4 8 12 24
NOTE:
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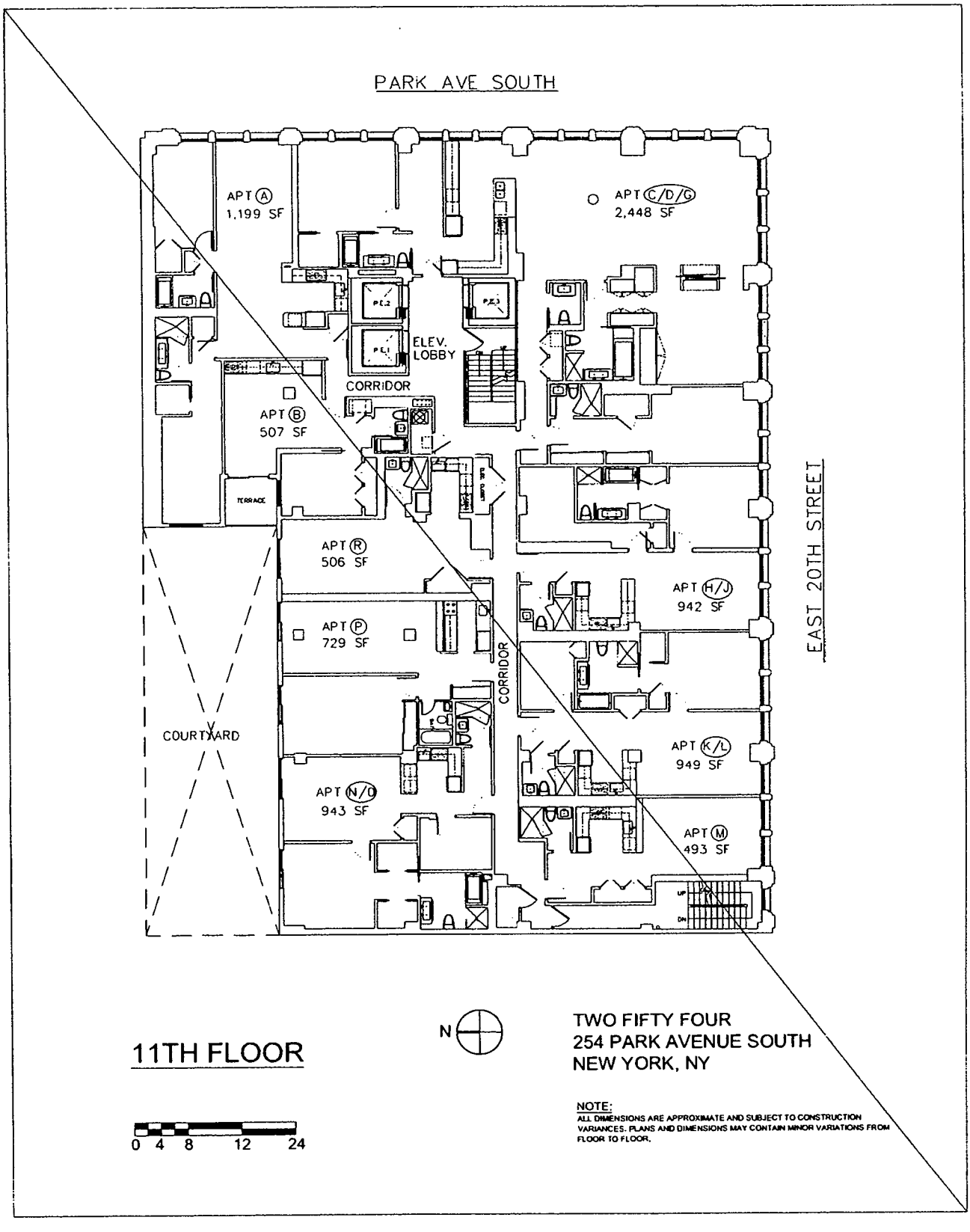
PARK AVE SOUTH
APT Ⓐ
1,199 SF
APT C/D/G
2,448 SF
ELEV.
LOBBY
CORRIDOR
APT Ⓑ
507 SF
TERRACE
APT Ⓡ
506 SF
APT H/J
942 SF
APT Ⓟ
729 SF
CORRIDOR
EAST 20TH STREET
COURTYARD
APT K/L
949 SF
APT N/O
943 SF
APT Ⓜ
493 SF
N
11TH FLOOR
0 4 8 12 24
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
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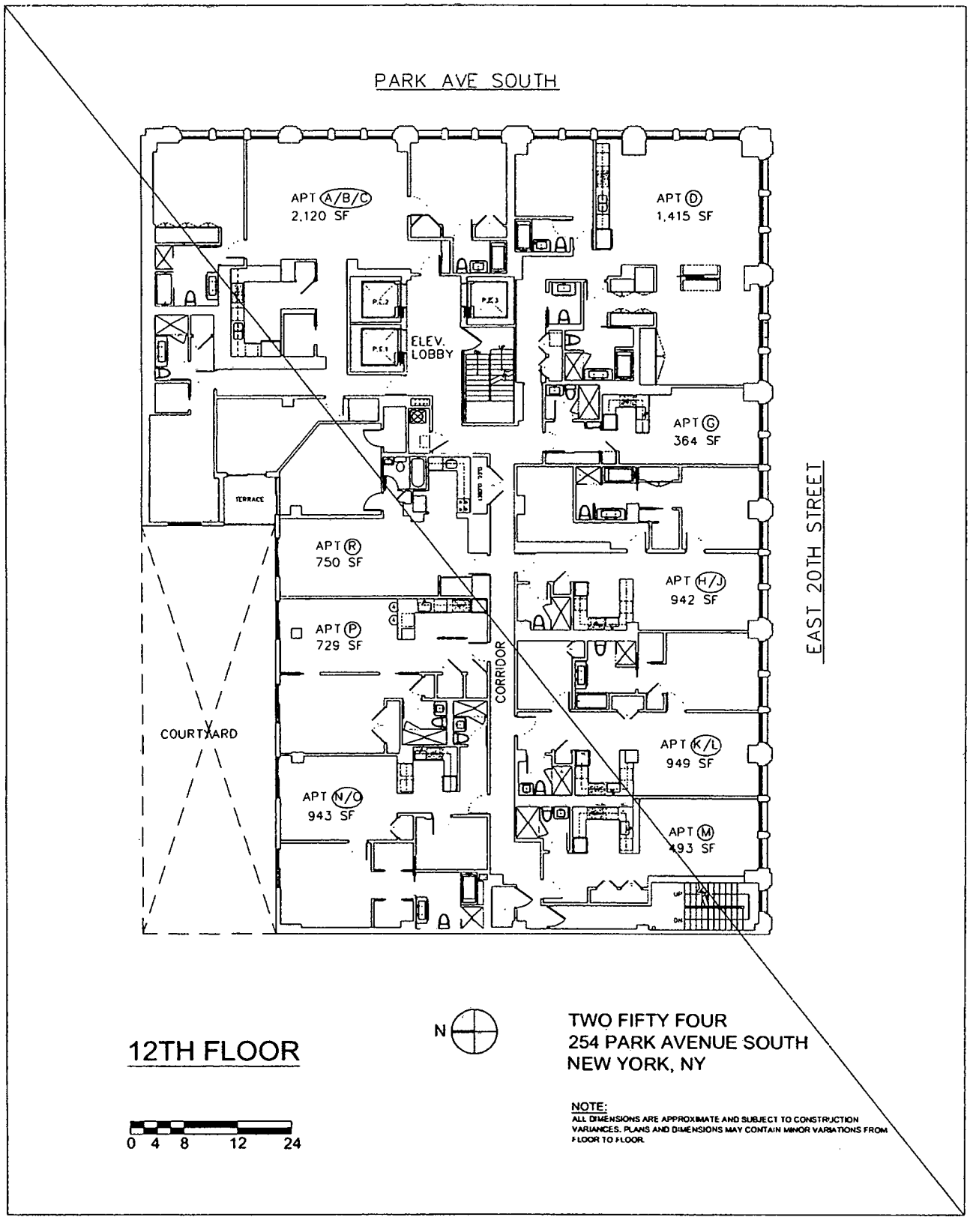
PARK AVE SOUTH
APT A/B/C
2,120 SF
APT D
1,415 SF
ELEV.
LOBBY
APT G
364 SF
TERRACE
APT R
750 SF
APT H/J
942 SF
APT P
729 SF
CORRIDOR
EAST 20TH STREET
COURTYARD
APT K/L
949 SF
APT N/O
943 SF
APT M
493 SF
12TH FLOOR
N
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
0 4 8 12 24
NOTE:
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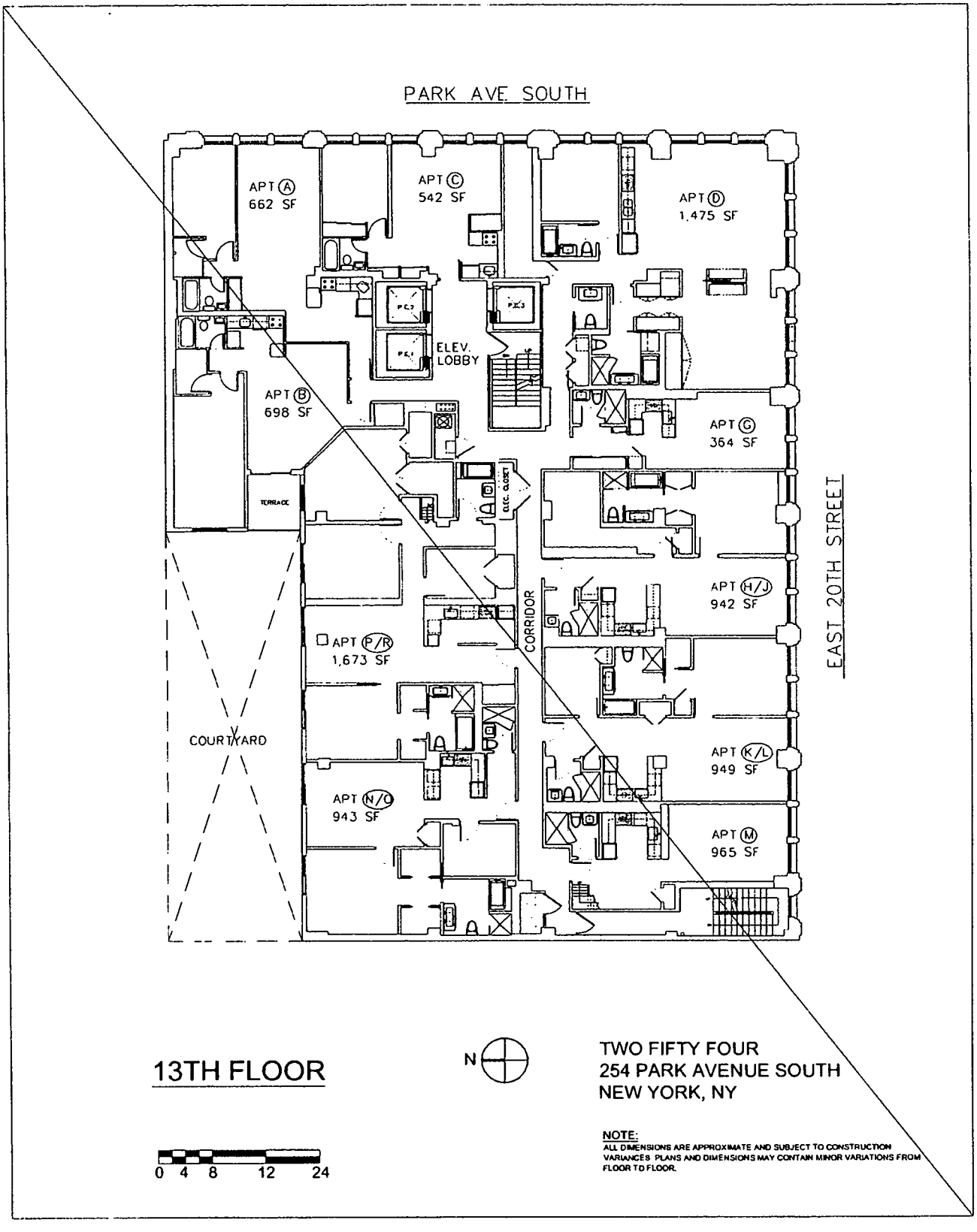
PARK AVE. SOUTH
APT Ⓐ
662 SF
APT Ⓒ
542 SF
APT Ⓓ
1,475 SF
ELEV.
LOBBY
APT Ⓑ
698 SF
APT Ⓒ
364 SF
TERRACE
ELEC. CLOSET
EAST 20TH STREET
CORRIDOR
APT H/J
942 SF
APT P/R
1,673 SF
COURTYARD
APT K/L
949 SF
APT N/O
943 SF
APT Ⓜ
965 SF
13TH FLOOR
N
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY
0 4 8 12 24
NOTE:
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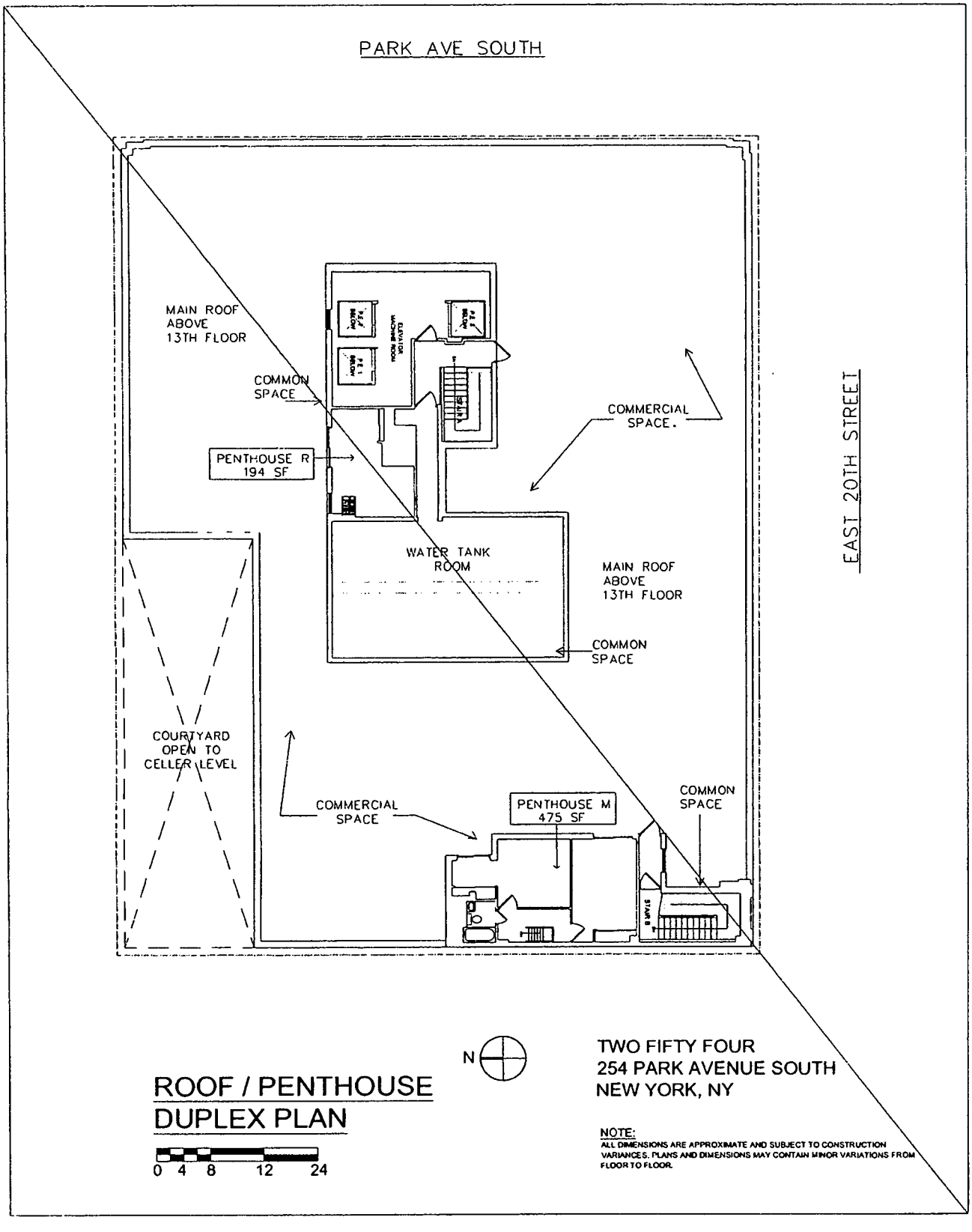

ROOF / PENTHOUSE DUPLEX PLAN

TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY

NOTE:
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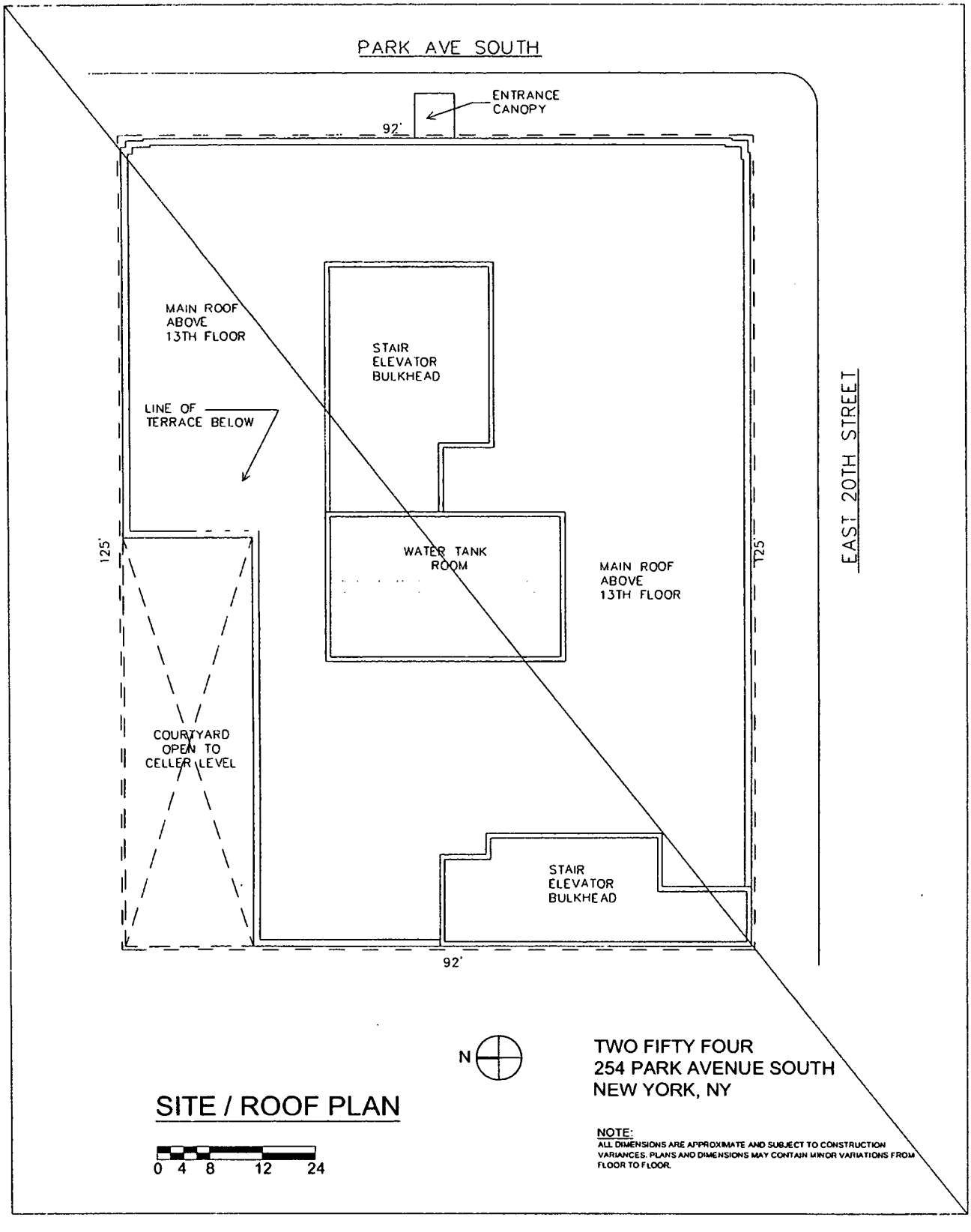

SITE / ROOF PLAN

TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY

NOTE:
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EXHIBIT "E"

SCHEDULE A

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINIUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - MAY 1, 2009 - APRIL 30, 2010

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,6) COMMON INTEREST	(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
1ND	V	1/1	843		$1,200,000	0.7946%	0.7111%	$ 820.60	$ 9,847.14	$ 1,043.94	$ 12,527.33	$ 1,864.54	$ 22,374.47
1P	V	1/1	729	105	$1,010,000	0.6178%	0.5529%	$ 657.22	$ 7,886.59	$ 811.72	$ 9,740.63	$ 1,468.93	$ 17,627.22
1R	RS	1/1	750	105	$1,035,000	0.6376%	0.5706%	$ 675.49	$ 9,105.88	$ 837.69	$ 10,052.32	$ 1,513.18	$ 18,158.20
2M	V	0/1	650		$960,000	0.5187%	0.4642%	$ 565.63	$ 6,787.53	$ 681.54	$ 8,178.44	$ 1,247.16	$ 14,965.97
2NO (RM)	V	1/2	943		$0	0.7948%	0.7111%	$ -	$ -	$ 1,043.94	$ 12,527.33	$ 1,043.94	$ 12,527.33
2B	V	1/1	572	62	$550,000	0.4587%	0.4105%	$ 511.24	$ 6,134.88	$ 602.69	$ 7,232.23	$ 1,113.93	$ 13,367.11
2PR	V	2/2	1235		$1,355,000	1.0694%	0.9571%	$ 1,074.69	$ 12,896.31	$ 1,405.11	$ 16,861.37	$ 2,479.81	$ 29,757.68
3A	V	2/2	1199		$1,860,000	1.1287%	1.0102%	$ 1,043.37	$ 12,520.38	$ 1,483.02	$ 17,796.30	$ 2,526.39	$ 30,316.88
3B	V	1/1	505	62	$740,000	0.4919%	0.4402%	$ 452.94	$ 5,435.25	$ 646.27	$ 7,755.27	$ 1,099.21	$ 13,190.51
3C	V	1/1	669		$1,105,000	0.8297%	0.5636%	$ 582.16	$ 6,985.94	$ 827.34	$ 9,928.11	$ 1,409.50	$ 16,914.05
3D	V	2/2.5	1415		$2,330,000	1.3321%	1.1922%	$ 1,231.33	$ 14,775.93	$ 1,750.19	$ 21,002.30	$ 2,981.52	$ 35,778.23
3G	V	0/1	553		$670,000	0.5206%	0.4659%	$ 481.22	$ 5,774.62	$ 684.00	$ 8,207.97	$ 1,165.22	$ 13,982.59
3H	V	0/1	716		$950,000	0.6740%	0.6033%	$ 623.06	$ 7,476.73	$ 885.61	$ 10,627.31	$ 1,508.67	$ 18,104.04
3J	V	0/1	689		$880,000	0.6486%	0.5805%	$ 599.57	$ 7,194.78	$ 852.21	$ 10,226.56	$ 1,451.78	$ 17,421.35
3K	V	0/1	681		$870,000	0.6411%	0.5738%	$ 592.60	$ 7,111.24	$ 842.32	$ 10,107.82	$ 1,434.92	$ 17,219.07
3L	V	0/1	782		$990,000	0.7362%	0.6589%	$ 680.49	$ 8,165.92	$ 967.24	$ 11,606.93	$ 1,647.74	$ 19,772.85
3M	V	0/1	671		$870,000	0.6317%	0.5653%	$ 583.90	$ 7,006.82	$ 829.95	$ 9,959.40	$ 1,413.85	$ 16,966.22
3N	V	0/1	706		$795,000	0.6646%	0.5948%	$ 614.36	$ 7,372.30	$ 873.24	$ 10,478.89	$ 1,487.60	$ 17,851.19
3O	V	0/1	681		$770,000	0.6411%	0.5738%	$ 592.60	$ 7,111.24	$ 842.32	$ 10,107.82	$ 1,434.92	$ 17,219.07
3P	V	1/1	966		$1,170,000	0.9094%	0.8139%	$ 840.61	$ 10,087.32	$ 1,194.83	$ 14,337.97	$ 2,035.44	$ 24,425.28
3R	V	0/1	788		$954,268	0.7418%	0.6639%	$ 685.71	$ 8,228.58	$ 974.87	$ 11,695.98	$ 1,660.38	$ 19,924.56
4A	V	2/2	1199		$1,865,000	1.1287%	1.0102%	$ 1,043.37	$ 12,520.38	$ 1,483.02	$ 17,796.30	$ 2,526.39	$ 30,316.68
4B	V	1/1	505	62	$745,000	0.4919%	0.4402%	$ 452.94	$ 5,435.25	$ 646.27	$ 7,755.27	$ 1,099.21	$ 13,190.51
4C	V	1/1	669		$1,115,000	0.6298%	0.5637%	$ 582.16	$ 6,985.94	$ 827.46	$ 9,929.71	$ 1,409.64	$ 16,915.65
4D	V	2/2.5	1415		$2,350,000	1.3321%	1.1922%	$ 1,231.33	$ 14,775.93	$ 1,750.19	$ 21,002.30	$ 2,981.52	$ 35,778.23
4G	V	0/1	553		$690,000	0.5206%	0.4659%	$ 481.22	$ 5,774.62	$ 684.00	$ 8,207.97	$ 1,165.22	$ 13,982.59
4H	V	0/1	716		$970,000	0.6740%	0.6033%	$ 623.06	$ 7,476.73	$ 885.61	$ 10,627.31	$ 1,508.67	$ 18,104.04
4J	V	0/1	689		$900,000	0.6486%	0.5805%	$ 599.57	$ 7,194.78	$ 852.21	$ 10,226.56	$ 1,451.78	$ 17,421.35
4K	V	0/1	681		$890,000	0.6411%	0.5738%	$ 592.60	$ 7,111.24	$ 842.32	$ 10,107.82	$ 1,434.92	$ 17,219.07
4L	V	0/1	782		$960,000	0.7362%	0.6589%	$ 680.49	$ 8,165.92	$ 967.24	$ 11,606.93	$ 1,647.74	$ 19,772.85
4M	V	0/1	671		$890,000	0.6317%	0.5653%	$ 583.90	$ 7,006.82	$ 829.95	$ 9,958.40	$ 1,413.85	$ 16,966.22
4N	V	0/1	706		$815,000	0.6646%	0.5948%	$ 614.36	$ 7,372.30	$ 873.24	$ 10,478.89	$ 1,487.60	$ 17,851.19
4O	V	0/1	681		$790,000	0.6411%	0.5738%	$ 592.60	$ 7,111.24	$ 842.32	$ 10,107.82	$ 1,434.92	$ 17,219.07
4P	V	1/1	966		$1,190,000	0.9094%	0.8139%	$ 840.61	$ 10,087.32	$ 1,194.83	$ 14,337.97	$ 2,035.44	$ 24,425.28
4R	V	0/1	788		$715,000	0.7418%	0.6639%	$ 685.71	$ 8,228.58	$ 974.87	$ 11,695.98	$ 1,660.38	$ 19,924.56
5A	V	1/1	807		$1,820,000	0.7600%	0.6802%	$ 702.25	$ 8,426.98	$ 998.58	$ 11,982.94	$ 1,700.83	$ 20,409.92
5B	V	2/2	897	62	$1,095,000	0.8594%	0.7691%	$ 794.05	$ 9,528.65	$ 1,129.09	$ 13,549.11	$ 1,923.15	$ 23,077.76
5CD	V	2/2.5	2084		$3,360,000	1.9619%	1.7559%	$ 1,813.49	$ 21,761.87	$ 2,577.67	$ 30,932.01	$ 4,391.16	$ 52,693.88
5G	V	0/1	364		$540,000	0.3427%	0.3067%	$ 316.75	$ 3,801.02	$ 450.23	$ 5,402.71	$ 766.98	$ 9,203.73
5HJ	V	1/2	942		$1,630,000	0.8868%	0.7937%	$ 819.72	$ 9,836.70	$ 1,165.15	$ 13,981.74	$ 1,984.87	$ 23,818.44
5K	V	0/1	445		$740,000	0.4189%	0.3749%	$ 387.24	$ 4,646.85	$ 550.41	$ 6,604.98	$ 937.65	$ 11,251.81
5L	RS	0/1	504		$810,000	0.4749%	0.4248%	$ 438.58	$ 5,262.95	$ 623.39	$ 7,480.68	$ 1,061.97	$ 12,743.63
5M	V	0/1	493		$740,000	0.4641%	0.4154%	$ 429.01	$ 5,148.08	$ 609.78	$ 7,317.41	$ 1,038.79	$ 12,465.49
5NO	V	1/2	943		$1,305,000	0.8877%	0.7945%	$ 820.60	$ 9,847.14	$ 1,166.38	$ 13,996.59	$ 1,986.98	$ 23,843.73
5P	V	1/1	729		$1,080,000	0.6863%	0.6142%	$ 634.37	$ 7,612.48	$ 901.69	$ 10,820.27	$ 1,536.06	$ 18,432.74
5R	V	0/1	506		$565,000	0.4764%	0.4263%	$ 440.32	$ 5,283.83	$ 625.86	$ 7,510.38	$ 1,066.18	$ 12,794.20
6A	V	1/1	807		$1,840,000	0.7600%	0.6802%	$ 702.25	$ 8,426.98	$ 998.58	$ 11,982.94	$ 1,700.83	$ 20,409.92
6B	V	1/2	897	62	$2,005,000	0.8594%	0.7691%	$ 794.05	$ 9,528.65	$ 1,129.09	$ 13,549.11	$ 1,923.15	$ 23,077.76
6C	V	1/1	669		$1,100,000	0.6297%	0.5636%	$ 582.16	$ 6,985.94	$ 827.34	$ 9,928.11	$ 1,409.50	$ 16,914.05
6D	V	2/2.5	1415		$2,320,000	1.3321%	1.1922%	$ 1,231.33	$ 14,775.93	$ 1,750.19	$ 21,002.30	$ 2,981.52	$ 35,778.23
6G	RS	0/1	364		$550,000	0.3427%	0.3067%	$ 316.75	$ 3,801.02	$ 450.23	$ 5,402.71	$ 766.98	$ 9,203.73
6HJ	V	1/2	942		$1,642,000	0.8868%	0.7937%	$ 819.72	$ 9,836.70	$ 1,165.15	$ 13,981.74	$ 1,984.87	$ 23,818.44
6KL	V	1/2	949		$1,585,000	0.8934%	0.7996%	$ 825.82	$ 9,909.80	$ 1,173.80	$ 14,085.64	$ 1,999.62	$ 23,995.44
6M	V	0/1	493		$750,000	0.4641%	0.4154%	$ 429.01	$ 5,148.08	$ 609.78	$ 7,317.41	$ 1,038.79	$ 12,465.49
6NO	V	1/2	943		$1,325,000	0.8877%	0.7945%	$ 820.60	$ 9,847.14	$ 1,166.38	$ 13,996.59	$ 1,986.98	$ 23,843.73
6PR	V	2/2	1235		$1,680,000	1.1826%	1.0405%	$ 1,074.69	$ 12,896.31	$ 1,527.55	$ 18,330.63	$ 2,602.24	$ 31,226.94
7AC	V	2/2.5	1478		$2,970,000	1.3906%	1.2445%	$ 1,284.41	$ 15,412.92	$ 1,827.00	$ 21,924.05	$ 3,111.41	$ 37,336.97
7B	V	1/2	897	62	$2,015,000	0.8594%	0.7691%	$ 794.05	$ 9,528.65	$ 1,129.09	$ 13,549.11	$ 1,923.15	$ 23,077.76
7D	V	2/2.5	1415		$2,330,000	1.3321%	1.1922%	$ 1,231.33	$ 14,775.93	$ 1,750.19	$ 21,002.30	$ 2,981.52	$ 35,778.23
7G	V	0/1	384		$560,000	0.3427%	0.3067%	$ 316.75	$ 3,801.02	$ 450.23	$ 5,402.71	$ 766.98	$ 9,203.73

The accompanying notes should be read in conjunction with this schedule

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINIUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - MAY 1, 2009 - APRIL 30, 2010

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1.2) APPROX UNIT SQUARE FOOTAGE	(1.3) APPROX TERRACE SQUARE FOOTAGE	(2) OFFERING PRICE	(2.A) RESIDENTIAL COMMON INTEREST	(2.B) COMMON INTEREST	(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
7HJ	V	1/2	942		$1,660,000	0.8868%	0.7937%	$ 819.72	$ 9,836.70	$ 1,165.15	$ 13,981.74	$ 1,984.87	$ 23,818.44
7KL	V	1/2	949		$1,585,000	0.8934%	0.7998%	$ 825.82	$ 9,909.80	$ 1,173.80	$ 14,085.64	$ 1,999.62	$ 23,995.44
7M	V	0/1	493		$760,000	0.4641%	0.4154%	$ 429.01	$ 5,148.08	$ 609.78	$ 7,317.41	$ 1,038.79	$ 12,465.49
7NO	V	1/2	943		$1,345,000	0.8877%	0.7945%	$ 820.60	$ 9,847.14	$ 1,166.38	$ 13,996.59	$ 1,986.98	$ 23,843.73
7PR	V	2/3	1235		$1,675,000	1.1626%	1.0405%	$ 1,074.69	$ 12,896.31	$ 1,527.55	$ 18,330.63	$ 2,602.24	$ 31,226.94
8AC	V	2/2.5	1385		$1,915,000	1.3048%	1.1677%	$ 1,205.22	$ 14,462.66	$ 1,714.28	$ 20,571.39	$ 2,919.50	$ 35,034.06
8B	V	1/1	644	62	$1,050,000	0.6208%	0.5556%	$ 573.89	$ 6,886.73	$ 815.61	$ 9,787.29	$ 1,389.50	$ 16,674.02
8D	RS	1/1	538		$965,000	0.5065%	0.4533%	$ 468.17	$ 5,617.99	$ 665.44	$ 7,985.33	$ 1,133.61	$ 13,603.31
8EF	V	2/2	970		$1,745,000	0.9132%	0.8173%	$ 844.09	$ 10,129.08	$ 1,199.78	$ 14,397.34	$ 2,043.87	$ 24,526.42
8G	V	0/1	364		$570,000	0.3427%	0.3067%	$ 316.75	$ 3,801.02	$ 450.23	$ 5,402.71	$ 766.98	$ 9,203.73
8H	V	0/1	476		$910,000	0.4481%	0.4011%	$ 414.21	$ 4,970.56	$ 588.76	$ 7,065.09	$ 1,002.97	$ 12,035.65
8J	V	0/1	466		$770,000	0.4387%	0.3926%	$ 405.51	$ 4,866.14	$ 576.39	$ 6,916.66	$ 981.90	$ 11,782.80
8KLM	V	1/3	1442		$2,375,000	1.3575%	1.2149%	$ 1,254.82	$ 15,057.88	$ 1,783.59	$ 21,403.05	$ 3,038.41	$ 36,460.93
8NO	V	1/2	943		$1,365,000	0.8877%	0.7945%	$ 820.60	$ 9,847.14	$ 1,166.38	$ 13,996.59	$ 1,986.98	$ 23,843.73
8P	V	1/1	729		$1,110,000	0.6863%	0.6142%	$ 634.37	$ 7,612.48	$ 901.69	$ 10,820.27	$ 1,536.06	$ 18,432.74
8R	RS	0/1	750		$1,180,000	0.7061%	0.6319%	$ 652.65	$ 7,831.77	$ 927.66	$ 11,131.96	$ 1,580.31	$ 18,963.73
9A	V	2/2	1199		$1,900,000	1.1287%	1.0102%	$ 1,043.37	$ 12,520.38	$ 1,483.02	$ 17,796.30	$ 2,526.39	$ 30,316.68
9B	V	1/1	505	62	$770,000	0.4919%	0.4402%	$ 452.94	$ 5,435.25	$ 646.27	$ 7,755.27	$ 1,099.21	$ 13,190.51
9C	V	1/1	669		$1,130,000	0.6290%	0.5629%	$ 582.16	$ 6,985.94	$ 826.42	$ 9,917.10	$ 1,408.59	$ 16,903.03
9D	V	2/2.5	1415		$2,370,000	1.3321%	1.1922%	$ 1,231.33	$ 14,775.93	$ 1,750.19	$ 21,002.30	$ 2,981.52	$ 35,778.23
9G	V	0/1	364		$580,000	0.3427%	0.3067%	$ 316.75	$ 3,801.02	$ 450.23	$ 5,402.71	$ 766.98	$ 9,203.73
9HJ	V	1/2	942		$1,700,000	0.8868%	0.7937%	$ 819.72	$ 9,836.70	$ 1,165.15	$ 13,981.74	$ 1,984.87	$ 23,818.44
9KL	V	1/2	949		$1,625,000	0.8934%	0.7996%	$ 825.82	$ 9,909.80	$ 1,173.80	$ 14,085.64	$ 1,999.62	$ 23,995.44
9M	V	0/1	493		$780,000	0.4641%	0.4154%	$ 429.01	$ 5,148.08	$ 609.78	$ 7,317.41	$ 1,038.79	$ 12,465.49
9NO	V	1/2	943		$1,380,000	0.8877%	0.7945%	$ 820.60	$ 9,847.14	$ 1,166.38	$ 13,996.59	$ 1,986.98	$ 23,843.73
9P	RS	1/1	729		$1,150,000	0.6863%	0.6142%	$ 634.37	$ 7,612.48	$ 901.69	$ 10,820.27	$ 1,536.06	$ 18,432.74
9R	V	0/1	506		$585,000	0.4764%	0.4263%	$ 440.32	$ 5,283.83	$ 625.86	$ 7,510.36	$ 1,066.18	$ 12,794.20
10AC	V	2/2.5	1476		$3,060,000	1.3906%	1.2445%	$ 1,284.41	$ 15,412.92	$ 1,827.00	$ 21,924.05	$ 3,111.41	$ 37,336.97
10B	V	1/2	897	62	$1,106,000	0.8594%	0.7691%	$ 794.05	$ 9,528.65	$ 1,129.09	$ 13,549.11	$ 1,923.15	$ 23,077.76
10D	V	2/2.5	1415		$2,390,000	1.3321%	1.1922%	$ 1,231.33	$ 14,775.93	$ 1,750.19	$ 21,002.30	$ 2,981.52	$ 35,778.23
10G	RS	0/1	364		$590,000	0.3427%	0.3067%	$ 316.75	$ 3,801.02	$ 450.23	$ 5,402.71	$ 766.98	$ 9,203.73
10HJ	V	1/2	942		$1,720,000	0.8868%	0.7937%	$ 819.72	$ 9,836.70	$ 1,165.15	$ 13,981.74	$ 1,984.87	$ 23,818.44
10KL	V	1/2	949		$1,645,000	0.8934%	0.7996%	$ 825.82	$ 9,909.80	$ 1,173.80	$ 14,085.64	$ 1,999.62	$ 23,995.44
10M	RS	0/1	493		$790,000	0.4641%	0.4154%	$ 429.01	$ 5,148.08	$ 609.78	$ 7,317.41	$ 1,038.79	$ 12,465.49
10NO	V	1/2	943		$1,425,000	0.8877%	0.7945%	$ 820.60	$ 9,847.14	$ 1,166.38	$ 13,996.59	$ 1,986.98	$ 23,843.73
10PR	V	2/3	1235		$1,750,000	1.1626%	1.0405%	$ 1,074.69	$ 12,896.31	$ 1,527.55	$ 18,330.63	$ 2,602.24	$ 31,226.94
11A	V	2/2	1199		$1,940,000	1.1287%	1.0102%	$ 1,043.37	$ 12,520.38	$ 1,483.02	$ 17,796.30	$ 2,526.39	$ 30,316.68
11B	V	1/1	505	62	$790,000	0.4919%	0.4402%	$ 452.94	$ 5,435.25	$ 646.27	$ 7,755.27	$ 1,099.21	$ 13,190.51
11CDG	V	3/3.5	2448		$4,160,000	2.3046%	2.0625%	$ 2,130.24	$ 25,562.89	$ 3,027.89	$ 36,334.72	$ 5,158.13	$ 61,897.61
11HJ	V	1/2	942		$1,740,000	0.8868%	0.7937%	$ 819.72	$ 9,836.70	$ 1,165.15	$ 13,981.74	$ 1,984.87	$ 23,818.44
11KL	V	1/2	949		$1,660,000	0.8934%	0.7996%	$ 825.82	$ 9,909.80	$ 1,173.80	$ 14,085.64	$ 1,999.62	$ 23,995.44
11M	V	0/1	493		$800,000	0.4641%	0.4154%	$ 429.01	$ 5,148.08	$ 609.78	$ 7,317.41	$ 1,038.79	$ 12,465.49
11NO	V	1/2	943		$1,440,000	0.8877%	0.7945%	$ 820.60	$ 9,847.14	$ 1,166.38	$ 13,996.59	$ 1,986.98	$ 23,843.73
11P	RS	1/1	729		$1,170,000	0.6863%	0.6142%	$ 634.37	$ 7,612.48	$ 901.69	$ 10,820.27	$ 1,536.06	$ 18,432.74
11R	V	0/1	506		$595,000	0.4764%	0.4263%	$ 440.32	$ 5,283.83	$ 625.86	$ 7,510.36	$ 1,066.18	$ 12,794.20

The accompanying notes should be read in conjunction with this schedule.

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - MAY 1, 2009 - APRIL 30, 2010

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1-2) APPROX UNIT SQUARE FOOTAGE	(1-2) APPROX TERRACE SQUARE FOOTAGE	(2) OFFERING PRICE	(1-3) RESIDENTIAL COMMON INTEREST	(1-3) COMMON INTEREST	(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
12ACB	V	4/3.5	2120	62	$3,285,000	1.9101%	1.7095%	$ 1,856.30	$ 22,289.65	$ 2,509.64	$ 30,115.67	$ 4,367.94	$ 52,415.32
12D	V	2/2.5	1415		$2,430,000	1.3321%	1.1922%	$ 1,231.33	$ 14,775.93	$ 1,750.19	$ 21,002.30	$ 2,981.52	$ 35,778.23
12G	V	0/1	364		$610,000	0.3427%	0.3067%	$ 316.75	$ 3,801.02	$ 450.23	$ 5,402.71	$ 766.98	$ 9,203.73
12HJ	V	1/2	842		$1,755,000	0.8868%	0.7937%	$ 819.72	$ 9,836.70	$ 1,165.15	$ 13,981.74	$ 1,984.87	$ 23,818.44
12KL	V	1/2	949		$1,880,000	0.8934%	0.7996%	$ 825.82	$ 9,909.80	$ 1,173.80	$ 14,085.64	$ 1,999.62	$ 23,995.44
12M	V	0/1	493		$810,000	0.4641%	0.4154%	$ 429.01	$ 5,148.08	$ 609.78	$ 7,317.41	$ 1,038.79	$ 12,465.49
12NO	V	1/2	943		$1,460,000	0.8877%	0.7945%	$ 820.60	$ 9,847.14	$ 1,166.36	$ 13,996.59	$ 1,986.98	$ 23,843.73
12P	V	1/1	729		$1,180,000	0.6863%	0.6142%	$ 634.37	$ 7,612.46	$ 901.69	$ 10,820.27	$ 1,536.06	$ 18,432.74
12R	RS	1/1	750		$1,510,000	0.7061%	0.6319%	$ 652.65	$ 7,831.77	$ 927.66	$ 11,131.96	$ 1,580.31	$ 18,963.73
PHA	RS	1/1	662	62	$1,330,000	0.6376%	0.5708%	$ 589.56	$ 7,074.70	$ 837.99	$ 10,055.87	$ 1,427.55	$ 17,130.57
PHB	RS	1/1	698		$1,400,000	0.6571%	0.5881%	$ 607.40	$ 7,288.76	$ 863.35	$ 10,360.15	$ 1,470.74	$ 17,648.91
PHC	RS	1/1	542		$1,085,000	0.5102%	0.4567%	$ 471.55	$ 5,659.76	$ 670.39	$ 8,044.70	$ 1,142.04	$ 13,704.45
PHD	V	2/2.5	1475		$2,950,000	1.3696%	1.2437%	$ 1,283.54	$ 15,402.47	$ 1,825.75	$ 21,909.02	$ 3,109.29	$ 37,311.49
PHG	V	0/1	364		$810,000	0.3427%	0.3067%	$ 316.75	$ 3,801.02	$ 450.23	$ 5,402.71	$ 766.98	$ 9,203.73
PHHJ	V	1/2	842		$1,955,000	0.8868%	0.7937%	$ 818.72	$ 9,836.70	$ 1,165.15	$ 13,981.74	$ 1,984.87	$ 23,818.44
PHKL	V	1/2	949		$1,900,000	0.8934%	0.7996%	$ 825.82	$ 9,909.80	$ 1,173.80	$ 14,085.64	$ 1,999.62	$ 23,995.44
PHM (D)	V	1/1	965		$1,950,000	0.9085%	0.8131%	$ 839.74	$ 10,076.87	$ 1,193.59	$ 14,323.12	$ 2,033.33	$ 24,400.00
PHNO	V	1/2	943		$1,855,000	0.8877%	0.7945%	$ 820.60	$ 9,847.14	$ 1,166.36	$ 13,996.59	$ 1,986.98	$ 23,843.73
PHPR	V	2/3	1673		$3,340,000	1.5750%	1.4098%	$ 1,455.84	$ 17,470.08	$ 2,069.31	$ 24,831.70	$ 3,525.15	$ 42,301.76
RES TOTAL			106,773	954	$ 169,322,268	100.0000%	89.4982%	$ 92,300.42	$ 1,107,605.00	$ 131,368.83	$ 1,576,642.00	$ 223,667.25	$ 2,684,247.00
COMMERCIAL			11,889		$ 16,000,000		10.5018%	$ 5,581.08	$ 66,973.00	$ 14,076.92	$ 168,947.00	$ 19,660.00	$ 235,920.00
GRAND TOTAL			118,662	954	$ 185,322,269	100.0000%	100.0000%	$ 97,881.50	$ 1,174,578.00	$ 145,445.75	$ 1,745,589.00	$ 243,347.25	$ 2,920,167.00

The Symbol used in the Schedule A have the following meaning

RM denotes Resident Manager's Unit

D denotes Duplex

FM denotes Fair Market

RS denotes Rent Stabilized

V denotes Vacant

1R & 1D Share a 105 sqft terrace

NOTE Since the Resident Manager's Unit RM is a General Common Element for budget purposes, General Common Expenses will be apportioned to the Units based on the Percentage of Common Interest.

The accompanying notes should be read in conjunction with this schedule

EXHIBIT "F"

LETTER OF COMPLIANCE WITH REAL PROPERTY SECTION 339(i)

PENMARK
REALTY CORP

COMPLIANCE WITH REAL PROPERY LAW SECTION 339-(i)

May 1, 2008

254 PAS Property LLC
126 East 56th Street
24th Floor
New York, New York 10022

Re: 254 Park Avenue South Condominium
254 Park Avenue South, New York, New York

Gentlemen:

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

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

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

Penmark Realty has been actively engaged in the sales of residential property since 1960, including cooperative and condominium apartments for the past forty (40) years. The company currently manages approximately fifty (50) condominium or cooperative apartment buildings in New York City. Bernard Friedman, a licensed real estate broker under the laws and regulations of the State of New York, has experience in many phases of real estate including, specifically, management of residential apartment buildings in New York City

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

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

Very truly yours,

Penmark Realty Corporation

By _____
Bernard Friedman, President

820 Second Avenue • New York, NY 10017 • 212-876-4200 • F 212-876-4258

EXHIBIT "G"

SCHEDULE B

SCHEDULE "B"
254 Park Avenue South Condominium
Projected Budget for the First Full Year of Condominium Operation
May 1, 2009 – April 30, 2010

PROJECTED INCOME:

Common Charges (1).....	
Residential Unit Common Charges.....	$1,107,605
Commercial Unit Common Charges.....	$ 66,973
Laundry Income (2).....	$ 12,299
TOTAL PROJECTED INCOME.....	$1,186,877

PROJECTED EXPENSES:

Salary, Wages, Payroll Taxes & Benefits (3).....	$ 285,770
Heat, Hot Water, and Cooking Gas (4)	$ 202,735
Electricity (5).....	$ 287,710
Water & Sewer (6).....	$ 97,991
Repairs & Maintenance (7).....	$ 40,000
Services & Supplies (8).....	$ 58,300
Insurance (9).....	$ 67,575
Management Fee (10).....	$ 85,000
Legal & Auditing Fees (11).....	$ 14,000
Resident Manager Unit Costs (12).....	$ 17,796
Administration (13).....	$ 15,000
Contingency (14).....	$ 15,000
TOTAL PROJECTED EXPENSES (15).....	$1,186,877

The accompanying notes are an integral part of this Schedule B and should be read in conjunction herewith

Notes to Schedule B

(1) COMMON CHARGES - (Budget - $1,174,578)

The estimated Common Charges to be collected from Unit Owners during the first year of Condominium operation are based upon the assumption that the first year of Condominium operation will be the twelve months commencing May 1, 2009. The actual first year of operation may be earlier or later.

The allocation for the General Common Expenses to be borne by the Commercial Unit, has been allocated on the basis of the Commercial Unit's respective Percentage of Common Interest, 10.5018%.

	Condominium Total	Residential Unit	Commercial Unit
Projected Income			
Common Charges (1)			
Residential Unit Common Charges	$1,107,605	$1,107,605	
Commercial Unit Common Charges	$ 66,973		
Laundry Income (2)	$ 12,299	$ 12,299	$ 66,973
Total Projected Income	$1,186,877	$1,119,904	$ 66,973
Projected Expenses			
Salary, Wages, Payroll Taxes (3) & Benefits	$ 285,770	$ 284,613	$ 1,157
Heat, Hot Water, and Cooking Gas (4)	$ 202,735	$ 181,444	$ 21,291
Electricity (5)	$ 287,710	$ 269,581	$ 18,129
Water & Sewer (6)	$ 97,991	$ 97,991	$ ---
Repairs & Maintenance (7)	$ 40,000	$ 35,800	$ 4,200
Services & Supplies (8)	$ 58,300	$ 56,935	$ 1,365
Insurance (9)	$ 67,575	$ 60,478	$ 7,097
Management Fee (10)	$ 85,000	$ 76,073	$ 8,927
Legal & Auditing Fees (11)	$ 14,000	$ 12,530	$ 1,470
Resident Manager Unit Costs (12)	$ 17,796	$ 17,609	$ 187
Administration (13)	$ 15,000	$ 13,425	$ 1,575
Contingency (14)	$ 15,000	$ 13,425	$ 1,575
Total First Year Budget	$1,186,877	$1,119,904	$ 66,973

In the event the projected commencement date of the first year of Condominium operation is to be delayed more than six (6) months from the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. Sponsor will not declare the plan effective if any material changes to the budget are not yet disclosed in an amendment to the plan.

If the Common Charges in the revised budget projections exceed the earlier budget projections by twenty-five percent (25%) or more, the Sponsor will offer all purchasers the right to rescind their Purchase Agreements and have their Deposits refunded to them, whether or not the Sponsor offers to guarantee the earlier budget projections.

(2) LAUNDRY INCOME – (Budget - $12,299)

Based on the current laundry lease agreement with Automatic Industries, it is anticipated that the Condominium will receive $12,299 in annual laundry rent. The washers are metered at $1.50 and the dryers at $1.50 per 45 minutes cycle.

(3) SALARIES, WAGES, PAYROLL TAXES & BENEFITS - (Budget - $285,770)

The budgeted amount includes base wages, worker's compensation and disability insurance, welfare and costs, payroll taxes and the cost of sick days, holidays and vacation pay for a projected shared building staff of 1 Resident Superintendent, 2 porters, 4 doormen. The projected level of staffing for the Building complies with all applicable housing and labor laws. It is anticipated that such employees will be non union members.

Position	Weekly Base Wage Rate
(1) Resident Superintendent	$1,008.00 per week plus free telephone, electric, gas
(2) Porter	$434.70 per week
3 Doorman	$420.00 per week
1 Doorman	$418.32 per week

The projections allow for 49 sick days, holidays and vacation pay and miscellaneous payroll expenses.

Total Base Wages	$209,788
FICA @ 7.65% of Base Wages	$ 16,049
Worker's Compensation @ 5.5% of total wages	$ 11,538
FUI and FUTA-NYS Unemployment, @ $425 per employee	$ 2,975
NYS Disability @ $60 per employee	$ 420
Health Benefits @ $6,429 per employee	$ 45,000
Total Benefit	$ 75,982
Total Wages, Taxes, & Benefits	$285,770

The employer's will be devoting a substantial portion of their time and effort to service the Residential Units and Residential Common Elements except that a small portion of the Resident Superintendent and one porter's time estimated 10% (ten percent) or 4 hours per week will be devoted to the General Common Elements. Accordingly, salaries and related expenses have been allocated to the Residential Unit's except for the time charged to the General Common Elements ($11,014) that has been apportioned to all Unit's within the Condominium based upon each Unit's respective Percentage of Common Interest.

(4) HEAT AND HOT WATER AND COOKING GAS- (Budget - $202,735)

The budgeted amount is based upon a letter from T/S Associates; 2 West 32nd Street, New York, NY 10001, sponsor's consulting engineers dated April 21, 2008. It is anticipated that the annual consumption of gas for heat and hot water and cooking gas for the residential units will be approximately 131,646 therms at $1.40 per therm for a total cost of $184,304. A 10% inflation factor has been added.The Commercial Unit will pay its pro-rate share of this expense.

It is not possible to predict how closely the budgeted figure will reflect the actual cost of gas for heat and hot water during the first year of Condominium operation, because such cost will vary with the level of consumption and the price of gas. Consumption will be affected by the severity of the weather and by any conservation measures adopted by the Condominium Board or individual unit owners.

(5) ELECTRICITY - (Budget - $287,710)

The electricity consumption for the first year of Condominium operation for the common areas and garage was estimated by T/S Associates, in a letter dated April 21, 2008, at 1,245,500 kilowatt hours of electricity, at an average rate of $.21 per kilowatt hour of electricity including applicable sales tax, resulting in an annual cost of $261,555. This estimate includes costs for the common area air conditioning units, distribution pumps, miscellaneous floor loads, elevators and lighting. Electricity costs can vary depending upon consumption and demand factors. A 10% inflation factor has been included.

These costs are only the estimated electricity costs for the Common Elements within the building and have been allocated 90 percent to the Residential Common Element and charged to the Residential Units, with the remaining 10 percent allocated to the General Common Elements within the Condominium and allocated to each unit based upon each Unit's Common Interest Percentage.

Each unit will be individually metered for electricity usage within their own units.

(6) WATER & SEWER – (Budget - $97,990)

The building will have a single main water meter, which will measure actual water usage. Based upon a letter from T/S Associates, dated April 21, 2008 water and sewer charges are based upon a combined charge of $5.23 per 100 Cu. Ft. and an estimated usage of 17033 C.C.F.

The annual water and sewer charges during the first year of condominium operation is estimated at $89,083. A 10% inflation factor has been added.

The Commercial Unit will be separately sub-metered or metered for water and sewer and will pay the cost of water and sewer usage directly to the condominium or taxing authority.

(7) **REPAIRS & MAINTENANCE – (Budget - $40,000)**

The budgeted figure for this item includes the cost of normal maintenance and repairs to the Common Elements of the Building that are the responsibility of the Condominium. Each Unit Owner will be responsible for the cost of the interior maintenance, repairs, decoration and painting of their respective units, including the appliances, incremental heating/air-conditioning units and any Limited Residential Common Elements appurtenant thereto.

No major capital repairs are included in the First Year's Budget. Future major capital repairs to the Common Elements will be borne by all Unit Owners. Repairs and Maintenance have been allocated to all Units based upon each unit's respective Percentage of Common Interest.

(8) **SERVICE & SUPPLIES - (Budget - $58,300)**

The budgeted amount includes the cost of cleaning equipment and miscellaneous supplies for the Common Elements, as well as the anticipated cost of service contracts during the first year of Condominium operation.

The budgeted amounts are based upon the experience of the Sponsor's budget expert in operating similar buildings. While this Schedule B includes a reasonable allowance for possible increases in cost that may occur prior to and during the first year of Condominium operations, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

It is projected that the Condominium will enter into maintenance agreements for the following services:

Elevator Maintenance (Dynamic Elevator Corp.)	$ 15,000
Exterminator (Western Pest Services)	$ 10,500
Uniform Cleaning & Maintenance	$ 6,000
Miscellaneous Supplies	$ 25,000
Water Treatment (Elite Service Systems, Inc.)	$ 1,800

The cost for services relating to the, exterminator and $2,500 of the $25,000 in supplies for General Common Element maintenance have been allocated to all units within the Condominium based upon each unit's respective Percentage of Common Interest.

(9) **INSURANCE – (Budget - $67,575)**

Based upon the proposal dated April 25, 2008 from the Rampart Group having an office address at 1983 Marcus Avenue, Lake success, New York . The following insurance coverage will be obtained for the Building for the first year of Condominium operation:

A Comprehensive Condominium Package Policy, including Boiler & Machinery and Water Damage, with the following General Coverage and Limits:

Property Policy

$22,200,000	Building "All Risk", Special Form, Agreed Amount, No Co-insurance, Replacement Cost, $5,000 Deductible, Terrorism Included
T/B/D	Business Income Limit
T/B/D	Personal Property Limit
Included	Boiler & Machinery

General Liability Policy

$1,000,000	Each Occurrence
$2,000,000	General Aggregate
$1,000,000	Personal & Advertising Injury
$1,000,000	Fire Damage, Legal Liability
$1,000,000	Employee Benefits Liability - $1,000 Deductible
$ 5,000	Medical Payments
$1,000,000	Non-Owned Automobile/Hired Car
$1,000,000	Directors & Officers Liability – Occ/Ann Aggregate

Umbrella Liability

$50,000,000	Per Occurrence
$50,000,000	Aggregate

The annual premium for the above mentioned insurance policy is estimated to be $67,575.

The insurance costs are for the entire Condominium and have been allocated to all units within the Condominium based upon each unit's respective Percentage of Common Interest.

The fire, casualty and general liability insurance carried by the Condominium will provide that each unit owner is an additional insured party; that there will be no cancellation without notice to the Condominium Board and Permitted Mortgagees; a waiver of subrogation; a waiver of invalidity because of the acts of the insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

Each individual Unit Owner should consider the desirability of obtaining additional insurance at his own cost for the following coverage, which is not included in the above coverage:

- fire or casualty losses to the contents of his unit and any replacements, additions, upgraded fixtures and improvements therein; and

- liability for personal injury or property damage as a result of occurrences in his Unit, including water damage legal liability to cover damage arising from leaks or other conditions within the Unit.

(10) MANAGEMENT FEE - (Budget - $85,000)

At or prior to the First Closing, the Condominium will enter into a management agreement with Penmark Realty Corp., having an office address at 820 Second Avenue, New York 10017 a real estate management firm. The agreement will be for an initial term of 2 years. Thereafter, the agreement will be automatically renewed from year to year, but may be cancelled by either party without cause, upon not less than sixty (60) days' prior written notice.

The Managing Agent will receive an annual fee of $85,000 payable in equal monthly installment of $7,083.33. The Managing Agent's fee for the first year of Condominium operation is comparable to the "going rate" for similar services in comparable buildings.

The Management Fee has been allocated to each unit based on each unit's respective Percentages of Common Interest.

See the section of the plan entitled "Management Agreements" for further details.

(11) LEGAL & AUDIT FEES – (Budget - $14,000)

The Condominium will engage a law firm to act as the attorney for the Condominium. The estimated cost for these services for the Condominium's first year is $5,000. It is anticipated that the Condominium will enter into an agreement with Hyman & Associates located at 580 Sylvan Avenue, Englewood Cliffs, NJ to provide audited tax returns and financial statement preparation services for the Condominium. It is estimated that the first year cost for these services will be $9,000.

These professional fees are for the entire Condominium and have been allocated to all units within the Condominium based upon each unit's Percentage of Common Interest.

(12) RESIDENT MANAGER UNIT COSTS - (Budget - $17,796)

Residential Unit 2N and 2O shall be designated as the Resident Manager's Unit and will be occupied by the Resident Manager of the Building. The Condominium will be responsible for the real estate taxes on the unit. The estimated real estate taxes for the first year of Condominium operation for Unit 2N will be $ 13,996. The Condominium will also be responsible for the cost of the electricity and basic telephone service for the Resident Manager's Unit as well as basic repairs. It is estimated that the electricity for the Residential Manager's Unit will be approximately 8,700 kw at $.22 per kwh for a total cost of approximately $2,000. The telephone expense is expected to be approximately $1,800. The total cost of these items will be approximately $3,800 in the first year of Condominium operation. The estimated cost for the Resident Manager's Unit for the Condominium's first year of operation is $ 17,796. Since the Resident Manager's time will be devoted mostly to the service of the Residential Units and the

Residential Common Elements, with only a minor portion of the Resident Manager's time (estimated at four (4) hours a week in note 2 above) devoted to General Common Elements and the non-residential limited Common Elements, the costs for the Resident Manager's Unit have been allocated in the same ratio as the wage and related payroll expenses of the Resident Manager in note 5 above.

(13) ADMINISTRATION – (Budget - $15,000)

The budgeted amount includes anticipated expenses for telephone, beepers, postage, printing, miscellaneous office supplies, payroll processing costs, permits and fees and local telephone usage in the Resident Manager's office.

These costs for administrative fees have been allocated to each unit within the Condominium based upon each unit's respective Percentage of Common Interest.

(14) CONTINGENCY – (Budget - $15,000)

This item is included in the budget to provide funds for unforeseen increases in Residential Common Expenses and General Common Expenses before or after the First Closing or to cover expenses not included in this budget.

The contingency reserve is for the entire Condominium and has been allocated to all units within the Condominium based upon each unit's respective Percentage of Common Interest.

(15) TOTAL PROJECTED EXPENSES – (Budget – 1,186,877)

The projections set forth in this budget assume that the first year of Condominium operation will cover the period from May 1, 2009 – April 30, 2010.

IN THE OPINION OF PENMARK REALTY CORP., HAVING AN OFFICE AT 820 SECOND AVENUE, NEW YORK, NEW YORK 10017. THE PROJECTED INCOME IS ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION. THE BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE BOARD WILL BE AS SET FORTH IN THE BUDGET. IN FACT, IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

EXHIBIT "H"

CERTIFICATION BY EXPERT RE ADEQUACY OF BUDGET

PENMARK
REALTY CORP

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET

May 1, 2008

State of New York
Department of Law
120 Broadway
23rd Floor
New York, New York 10271

Re: 254 Park Avenue South Condominium
254 Park Avenue South, New York, New York

Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B and the footnotes thereto, containing projections of income and expenses for the first year of condominium operation. We have had experience in this field for over forty (40) years in the New York metropolitan area and we are experienced in the management of residential properties. The company currently manages approximately fifty (50) condominium or cooperative apartment buildings in New York City. Leslie Winkler, the Vice President and Director of Management of Penmark Realty, has experience in many phases of real estate including, specifically, management of residential apartment buildings in New York City.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to Schedule B.

We have reviewed the schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedule:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis 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 the reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expense 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 Penal Law.

Very truly yours,

Penmark Realty Corporation

By: _____
Name: Bernard Friedman
Title: President

Sworn to before me this 1
day of May, 2008

_____
Notary Public

Janet Kowalewski
Notary Public, State of New York
No. 01KO5011875
Qualified in Rockland County
Commission Expires January 11

PENMARK
REALTY CORP

PENMARK
REALTY CORP

CERTIFICATION BY EXPERT ON ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER

May 1, 2008

State of New York
Department of Law
120 Broadway
23rd Floor
New York, New York 10271

Re: 254 Park Avenue South Condominium
254 Park Avenue South, New York, New York

Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B and the footnotes thereto, containing projections of common charges payable by the owners of the commercial units. We have had experience in this field for over forty (40) years in the New York metropolitan area and we are experienced in the management of residential properties. The company currently manages approximately fifth (50) condominium or cooperative apartment buildings in New York City. Bernard Friedman, the President of Penmark Realty, has experience in many phases of real estate including, specifically, management of residential apartment buildings in New York City.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to the commercial units listed in Schedule B.

We have reviewed the Schedule as it impacts up on the commercial units and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B for common charges payable by the owners of the commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial units for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial units also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial units:

(i) set forth in detail the projected common charges for the commercial units for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial units;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond the reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial units for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Penal Law.

Very truly yours,

Penmark Realty Corporation

By _____
Bernard Friedman, President

Sworn to before me this 1
day of May, 2008

_____
Notary Public

Janet Konstantinidis
Notary Public, State of New York
No. 01KO6018679
Qualified in Nassau and County
Commission Expires January 31, 2011

PENMARK
REALTY CORP

EXHIBIT "I"

REAL ESTATE TAX OPINION LETTER

LEITNER GROUP INC.
22 WEST 21ST STREET, 2ND FLOOR
NEW YORK, NY 10010
PHONE: (212) 682-0400
FAX: (212) 682-2233

April 28, 2008

254 PAS Property, LLC
c/o Rosen Partners LLC
126 East 56th Street, 24th Floor
New York, NY 10022

Re: Real Estate Tax Projection
254 Park Avenue South
Block 849, Lot 36
Borough of Manhattan
City and State of New York

To Whom It May Concern:

You have requested that we project the real estate tax liability for the above referenced premises for the first year of condominium operation commencing January 2009, after the condominium declaration has been filed. Our opinion of the subject property's tax burden for the year 2009/2010 is based on its future assessment after moderate renovation work has been performed.

All prospective purchasers are advised that although the estimate of assessed valuation is a good-faith estimate, such assessed valuation, when actually made, may be less or greater than as estimated on the following pages.

You have advised us of the following facts regarding this project:

1. An existing 13-story structure will be converted to condominium use. The property will contain 167 residential units and one retail (herein referred to as "non-residential") unit upon completion.

2. As of the current date 15 units are occupied by rent regulated tenants and 152 residential units are vacant. The retail space is currently vacant.

3. Gross building area is 154,658± square feet, according to City records. The non-residential unit will measure 4,904± square feet above grade and 6,305± below grade.

4. The property will undergo moderate rehabilitation work including interior unit renovations, common area renovations and upgraded building systems.

5. The first year of condominium operation is projected to begin by January 1, 2009.

Methodology

There are three recognized appraisal methods which are employed by the Real Property Assessment Department to determine the full market value of income producing real property. These methods are the original cost method, capitalization of income approach, and the sales price comparison method.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a highly significant indicator of value with respect to new buildings. Relevant data used in the cost method include material and labor ("hard") costs, and financing, engineering, architectural, testing and professional fees, construction period taxes ("soft") costs.

The capitalization of income method is based upon the proposition that the annual net income generated by a property, when divided by the rate of return an investor at a given time would accept for his money in a competing investment, yields a close estimate of the market value of the property.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. However, the addition of sales price of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation. The standard for assessment for residential cooperative and condominium structures is set forth in Real Property Tax Law 581. In the case of condominiums, the method of assessment of the individual units is set forth in Real Property Law Section 339-Y. In essence, the standard of assessment prescribed by statute for cooperative and condominium structures is that these buildings are to be assessed in the same manner as are rental apartment buildings. Further, the statutes provide that the sale price of a cooperative apartment building as an entity and the sale of a condominium unit are not the measure of value for assessment purposes.

Since the tax year 1982/83, Real Property Tax Law Section 1805(3) provides for the creation of a transitional assessment system within the City of New York. Under the transitional assessment system, any increase in the assessed value of a property is phased in over a five-year period in equal installments. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitation or addition of square footage to existing structures) changes directly into the taxable assessed valuation without the five-year phase-in. The "actual assessment" is the target value which will be reached at the end of the five-year period, assuming the assessment is not increased in the interim. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation.

In arriving at the assessed valuation for each unit in the Condominium, the building is first assessed as an entity. This overall assessment is then apportioned among the respective units, each of which will be assigned a tax lot designation once the Condominium Declaration has been recorded and the floor plans are filed with the Office of the City Registrar. The New York City Department of Finance has historically apportioned assessed value among units based primarily upon the proportion the projected selling price presented in the Offering Plan for each residential unit bears to the total offering price for all residential units available for purchase in the project ("proportionate valuation"). The Department of Finance may also apportion assessed value based upon each unit's percentage of overall common interest, or based upon relative square footage. We have allocated our projected assessed valuation based upon the percentage of common interest assigned to each condominium unit. We make no representations that the Department of Finance will use any particular method of apportioning assessed valuation among the units.

Current Assessments

The target (actual), and transitional assessed valuations for Block 849, Lot 36 for the 2008/2009 tax year are set forth as follows:

Tax Year	Actual Land	Actual Total	Transitional Land	Transitional Total	Taxable Total
2008/2009	$3,757,500	$13,365,000	$3,757,500	$13,176,000	$13,176,000

Pursuant to Real Property Tax Law ("RPTL") Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation. Therefore, the total taxable assessed valuation for 2008/2009 is $13,176,000.

Tax Rates

The subject property is presently classified as a Tax Class 2 (multi-family residential) property. Upon reassessment, the subject's residential units will continue to be assessed in Tax Class 2 while the retail unit will be classified within Tax Class 4 (commercial) beginning in the 2009/2010 tax year.

The Class 2 tax rate for the tax year 2007/2008 is $11.928 per $100 of assessed value. The Class 4 tax rate for tax year 2007/2008 is $10.059 per hundred of assessed value. The tax rates for future tax years have not yet been announced. The chart below illustrates historical tax rates in each class since 1996/1997.

REAL ESTATE TAX RATES, NEW YORK CITY
1996/1997 TO 2007/2008

Year	Class 1	Class 2	Class 3	Class 4
1996/1997	$10.785	$11.056	$7.840	$10.252
1997/1998	$10.849	$11.046	$8.282	$10.164
1998/1999	$10.961	$10.739	$8.800	$10.236
1999/2000	$11.167	$10.851	$9.398	$9.989
2000/2001	$11.255	$10.847	$10.540	$9.768
2001/2002	$11.609	$10.792	$10.541	$9.712
First-Half 2002/2003	$11.936	$10.564	$10.607	$9.776
Second-Half 2002/2003	$14.160	$12.517	$12.565	$11.580
2003/2004	$14.550	$12.620	$12.418	$11.431
2004/2005	$15.094	$12.216	$12.553	$11.558
2005/2006	$15.746	$12.396	$12.309	$11.306
2006/2007	$16.118	$12.737	$12.007	$10.997
2007/2008	$15.434	$11.928	$11.577	$10.059

Source: New York City Department of Finance

Prior to 2002/03, the tax rates had remained fairly stable for most of the 1990's, with a declining trend between 1998 and 2002. The 2002/2003 tax rates reflect the across-the-board property tax increases put in place by the Bloomberg administration to deal with the City's recent severe budget crisis. The New York City Council passed a bill increasing the real estate tax rates for the City of New York by 18.49%. The 2003/2004 through 2007/2008 tax rates have reflected increases and decreases more in line with historical trends.

We have assumed, for the purpose of this tax projection, that tax rates will remain flat for 2008/2009 and increase at 1% per annum for subsequent years. We project the 2009/2010 Class 2 tax rate at $12.047 per $100 of assessed and we project the 2009/2010 Class 4 tax rate at $10.160 per $100 of assessed value.

Leitner Group, Inc. makes no representations or warranties with respect to the projected tax rates for the 2008/2009 or subsequent tax years to be adopted by the New York City Council.

Projected Future Taxes

It is our judgment, based on the recent assessment history of the property, and the projected scope of renovation, that the assessed valuation of the subject property will be as follows for the 2009/2010 tax year:

2009/2010 Transitional Assessment: $16,200,000
2009/2010 Actual Assessment: $16,300,000

For the first year of condominium operation, the tax burden for the entire premises will be apportioned based on relative percentage of common interest, as follows:

Residential Units: 89.4982%
Non-Residential Unit: 10.5018%

ESTIMATED TAX LIABILITY
2008/2009 THROUGH 2009/2010 TAX YEARS

		Residential		Non-Residential
2008/2009 Assessment (Entire Property)		$13,176,000		$13,176,000
Component Common Interest %	x	89.4982%	x	10.5018%
2008/2009 Component Assessment		$11,792,283		$1,383,717
Projected Component Taxes 2008/2009	x	11.928%	x	11.928%
Projected Component Taxes 2008/2009		$1,406,583		$165,050
Projected 2009/2010 Assessment		$16,200,000		$16,200,000
Component Common Interest %	x	89.4982%	x	10.5018%
Projected 2009/2010 Component Assessment		$14,498,708		$1,701,292
Projected 2009/2010 Component Tax Rate	x	12.047%	x	10.160%
Projected Component Taxes 2009/2010		$1,746,700		$172,844
Estimated Taxes First Year Operation (50% 2008/2009 and 50% 2009/2010)		$1,576,642		$168,947

We estimate that the residential component's tax burden will amount to $1,406,583 for the 2008/2009 tax year and $1,746,700 for the 2009/2010 tax year, after renovation is completed and the property is reassessed. Residential taxes payable during the first year of condominium operation will be comprised of 50% of the taxes due for the 2008/2009 fiscal year (6 months) and 50% of the taxes due for the 2009/2010 fiscal year (6 months). The blended residential tax burden for the first year of operation is estimated at $1,576,642.

We estimate that the non-residential component's tax burden will amount to $165,050 for the 2008/2009 tax year and $172,844 for the 2009/2010 tax year, after renovation is completed and the property is reassessed. Non-residential taxes payable during the first year of condominium operation will be comprised of 50% of the taxes due for the 2008/2009 fiscal year (6 months)

and 50% of the taxes due for the 2009/2010 fiscal year (6 months). The blended non-residential tax burden for the first year of operation is estimated at $168,947.

These estimates exclude any exemptions or abatements for which the property may qualify.

ESTIMATED RESIDENTIAL TAXES PER UNIT
FIRST YEAR OF CONDOMINIUM OPERATION
JANUARY 2009 TO DECEMBER 2009

$1,576,642 x Common Interest Percentage

ESTIMATED NON-RESIDENTIAL UNIT TAXES
FIRST YEAR OF CONDOMINIUM OPERATION
JANUARY 2009 TO DECEMBER 2009

$168,947

This letter was prepared at the Sponsor's request. Certain figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation. We have not passed upon the accuracy of any figures or estimates contained within the Offering Plan, and offer no warranties of the amount of any liability for any period.

The opinions expressed above are based on our interpretation of the Real Property Tax Law, Administrative Code of the City of New York, and the applicable rules and regulations of the Department of Finance in effect as of the date hereof. While we believe our opinions are well founded, they are not intended, and should not be construed as representations or warranties. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

The foregoing analysis is based upon our experience with the Real Property Assessment Department and the Tax Commission of the City of New York, and their assessment policies regarding newly renovated properties held in condominium ownership. Application of a particular approach to valuation by an individual assessor may yield a different result. This would necessitate commencement of real property tax review proceedings at the Tax Commission or Supreme Court level to bring the assessment in line with the estimates presented herein.

We hereby consent to the inclusion of this letter in the Offering Plan.

Sincerely,

Joel Leitner

Joel Leitner, MAI, CRE, FRICS
Principal
State Certified General Appraiser #46-3011

SECOND AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

254 PARK AVENUE SOUTH CONDOMINIUM
254 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10010

Dated: April 18, 2008

SECOND AMENDMENT
TO
CONDOMINIUM OFFERING PLAN
254 PARK AVENUE SOUTH CONDOMINIUM

This Second Amendment (this "Amendment") modifies and supplements the terms of the Condominium Offering Plan for the premises known as 254 Park Avenue South Condominium at 254 Park Avenue South, New York, New York 10010, first accepted for filing on January 4, 2008, as amended by the First Amendment dated March 7, 2008 (as amended, the "Plan"), and should be incorporated into and read in conjunction with the Plan.

The terms of this Second Amendment are as follows:

1. **Revised Purchase Prices**

Sponsor hereby increases the Purchase Prices for certain Residential Units as set forth on "Schedule A, Offering Prices and Related Information," annexed hereto as Exhibit "A".

2. **Incorporation of the Plan**

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

3. **Definitions**

All terms used in this Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan.

4. **No Material Changes**

Except as set forth in this Amendment, there have been no material changes of facts or circumstances affecting the Property or the offering.

SPONSOR:

254 PAS PROPERTY LLC

EXHIBIT "A"

SCHEDULE A

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST	(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
1N	V	0/1	490		$585,000	0.4613%	0.4128%	$ 440.56	$ 5,286.73	$ 614.26	$ 7,371.09	$ 1,054.82	$ 12,657.82
1O	V	0/1	453		$615,000	0.4265%	0.3817%	$ 407.29	$ 4,887.53	$ 567.87	$ 6,814.49	$ 975.17	$ 11,702.02
1P	V	1/1	729	105	$1,010,000	0.7110%	0.6363%	$ 679.05	$ 8,148.58	$ 946.77	$ 11,361.25	$ 1,625.82	$ 19,509.83
1R	RS	1/1	750	105	$1,035,000	0.7308%	0.6540%	$ 697.93	$ 8,375.15	$ 973.10	$ 11,677.15	$ 1,671.03	$ 20,052.31
2LM (RM)	V	0/1	650		$980,000	0.6119%	0.5477%	$ 584.42	$ 7,013.01	$ 814.63	$ 9,777.97	$ 1,399.25	$ 16,790.98
2N	V	0/1	490		$470,000	0.4613%	0.4128%	$ 440.56	$ 5,286.73	$ 614.26	$ 7,371.09	$ 1,054.82	$ 12,657.82
2O	V	0/1	453		$480,000	0.4265%	0.3817%	$ 407.29	$ 4,887.53	$ 567.87	$ 6,814.49	$ 975.17	$ 11,702.02
2P	V	1/1	729		$800,000	0.6863%	0.6142%	$ 655.45	$ 7,865.36	$ 913.86	$ 10,966.37	$ 1,569.31	$ 18,831.73
2R	V	1/1	506		$555,000	0.4764%	0.4263%	$ 454.95	$ 5,459.36	$ 634.31	$ 7,611.77	$ 1,089.26	$ 13,071.13
3A	V	2/2	1199		$1,860,000	1.1287%	1.0102%	$ 1,078.03	$ 12,936.31	$ 1,503.05	$ 18,036.60	$ 2,581.08	$ 30,972.90
3B	V	1/1	507	62	$740,000	0.4919%	0.4402%	$ 469.78	$ 5,637.38	$ 655.00	$ 7,859.98	$ 1,124.78	$ 13,497.37
3C	V	1/1	669		$1,105,000	0.6298%	0.5637%	$ 601.50	$ 7,218.01	$ 838.65	$ 10,063.79	$ 1,440.15	$ 17,281.79
3D	V	2/2.5	1415		$2,330,000	1.3321%	1.1922%	$ 1,272.23	$ 15,266.78	$ 1,773.82	$ 21,285.89	$ 3,046.06	$ 36,552.67
3E	V	1/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
3F	V	0/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
3G	V	0/1	553		$670,000	0.5206%	0.4659%	$ 497.20	$ 5,966.45	$ 693.23	$ 8,318.80	$ 1,190.44	$ 14,285.25
3H	V	0/1	716		$950,000	0.6740%	0.6033%	$ 643.76	$ 7,725.10	$ 897.57	$ 10,770.81	$ 1,541.33	$ 18,495.91
3J	V	0/1	689		$680,000	0.6486%	0.5805%	$ 619.48	$ 7,433.79	$ 863.72	$ 10,364.65	$ 1,483.20	$ 17,798.44
3K	V	0/1	681		$870,000	0.6411%	0.5738%	$ 612.29	$ 7,347.48	$ 853.69	$ 10,244.30	$ 1,465.98	$ 17,591.78
3L	V	0/1	782		$990,000	0.7362%	0.6589%	$ 703.10	$ 8,437.19	$ 980.30	$ 11,763.65	$ 1,683.40	$ 20,200.84
3M	V	0/1	671		$870,000	0.6317%	0.5653%	$ 603.30	$ 7,239.58	$ 841.18	$ 10,093.87	$ 1,444.45	$ 17,333.46
3N	V	0/1	706		$795,000	0.6646%	0.5948%	$ 634.77	$ 7,617.21	$ 885.03	$ 10,620.38	$ 1,519.80	$ 18,237.59
3O	V	0/1	681		$770,000	0.6411%	0.5738%	$ 612.29	$ 7,347.48	$ 853.69	$ 10,244.30	$ 1,465.98	$ 17,591.78
3P	V	1/1	966		$1,170,000	0.9094%	0.8139%	$ 868.53	$ 10,422.41	$ 1,210.98	$ 14,531.57	$ 2,079.50	$ 24,953.98
3R	V	0/1	788		$695,000	0.7418%	0.6639%	$ 708.49	$ 8,501.93	$ 987.63	$ 11,853.91	$ 1,696.32	$ 20,355.84
4A	V	2/2	1199		$1,865,000	1.1287%	1.0102%	$ 1,078.03	$ 12,936.31	$ 1,503.05	$ 18,036.60	$ 2,581.08	$ 30,972.90
4B	V	1/1	507	62	$745,000	0.4919%	0.4402%	$ 469.78	$ 5,637.38	$ 655.00	$ 7,859.98	$ 1,124.78	$ 13,497.37
4C	V	1/1	669		$1,115,000	0.6298%	0.5637%	$ 601.50	$ 7,218.01	$ 838.65	$ 10,063.79	$ 1,440.15	$ 17,281.79
4O	V	2/2.5	1415		$2,350,000	1.3321%	1.1922%	$ 1,272.23	$ 15,266.78	$ 1,773.82	$ 21,285.89	$ 3,046.06	$ 36,552.67
4E	V	1/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
4F	V	0/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
4G	V	0/1	553		$690,000	0.5206%	0.4659%	$ 497.20	$ 5,966.45	$ 693.23	$ 8,318.80	$ 1,190.44	$ 14,285.25
4H	V	0/1	716		$970,000	0.6740%	0.6033%	$ 643.76	$ 7,725.10	$ 897.57	$ 10,770.81	$ 1,541.33	$ 18,495.91
4J	V	0/1	689		$900,000	0.6486%	0.5805%	$ 619.48	$ 7,433.79	$ 863.72	$ 10,364.65	$ 1,483.20	$ 17,798.44
4K	V	0/1	681		$890,000	0.6411%	0.5738%	$ 612.29	$ 7,347.48	$ 853.69	$ 10,244.30	$ 1,465.98	$ 17,591.78
4L	V	0/1	782		$960,000	0.7362%	0.6589%	$ 703.10	$ 8,437.19	$ 980.30	$ 11,763.65	$ 1,683.40	$ 20,200.84
4M	V	0/1	671		$890,000	0.6317%	0.5653%	$ 603.30	$ 7,239.58	$ 841.16	$ 10,093.87	$ 1,444.45	$ 17,333.48
4N	V	0/1	706		$815,000	0.6646%	0.5948%	$ 634.77	$ 7,617.21	$ 885.03	$ 10,620.38	$ 1,519.80	$ 18,237.59
4O	V	0/1	681		$790,000	0.6411%	0.5738%	$ 612.29	$ 7,347.48	$ 853.69	$ 10,244.30	$ 1,465.98	$ 17,591.78
4P	V	1/1	986		$1,190,000	0.9094%	0.8139%	$ 868.53	$ 10,422.41	$ 1,210.98	$ 14,531.57	$ 2,079.50	$ 24,953.98
4R	V	0/1	788		$715,000	0.7418%	0.6639%	$ 708.49	$ 8,501.93	$ 987.63	$ 11,853.91	$ 1,696.32	$ 20,355.84
5A	V	2/2	1199		$1,820,000	1.1287%	1.0102%	$ 1,078.03	$ 12,936.31	$ 1,503.05	$ 18,036.60	$ 2,581.08	$ 30,972.90
5B	V	1/1	507	62	$730,000	0.4919%	0.4402%	$ 469.78	$ 5,637.38	$ 655.00	$ 7,859.98	$ 1,124.78	$ 13,497.37
5C	V	1/1	669		$1,090,000	0.6298%	0.5637%	$ 601.50	$ 7,218.01	$ 838.65	$ 10,063.79	$ 1,440.15	$ 17,281.79

The accompanying notes should be read in conjunction with this schedule.

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST	(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
5D	V	2/2.5	1415		$2,290,000	1.3321%	1.1922%	$ 1,272.23	$ 15,266.76	$ 1,773.82	$ 21,285.89	$ 3,046.08	$ 36,552.67
5E	V	1/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
5F	V	0/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
5G	V	0/1	364		$540,000	0.3427%	0.3067%	$ 327.27	$ 3,927.29	$ 456.31	$ 5,475.66	$ 783.58	$ 9,402.95
5H	V	0/1	476		$880,000	0.4481%	0.4011%	$ 427.97	$ 5,135.68	$ 596.71	$ 7,160.48	$ 1,024.68	$ 12,296.16
5J	V	0/1	466		$750,000	0.4387%	0.3926%	$ 418.96	$ 5,027.79	$ 584.17	$ 7,010.05	$ 1,003.15	$ 12,037.84
5K	V	0/1	445		$740,000	0.4189%	0.3749%	$ 400.10	$ 4,801.22	$ 557.85	$ 6,694.15	$ 957.95	$ 11,495.36
5L	RS	0/1	504		$810,000	0.4745%	0.4246%	$ 453.15	$ 5,437.76	$ 631.81	$ 7,581.69	$ 1,084.96	$ 13,019.47
5M	V	0/1	493		$740,000	0.4641%	0.4154%	$ 443.26	$ 5,319.10	$ 618.02	$ 7,416.21	$ 1,061.28	$ 12,735.31
5N	V	0/1	490		$685,000	0.4613%	0.4128%	$ 440.56	$ 5,286.73	$ 614.26	$ 7,371.09	$ 1,054.82	$ 12,657.82
5O	V	0/1	453		$640,000	0.4265%	0.3817%	$ 407.29	$ 4,887.53	$ 567.87	$ 6,814.49	$ 975.17	$ 11,702.02
5P	V	1/1	729		$1,080,000	0.6863%	0.6142%	$ 655.45	$ 7,865.36	$ 913.86	$ 10,966.37	$ 1,569.31	$ 18,831.73
5R	V	0/1	506		$565,000	0.4764%	0.4263%	$ 454.95	$ 5,459.36	$ 634.31	$ 7,611.77	$ 1,089.26	$ 13,071.13
6A	V	2/2	1199		$1,840,000	1.1287%	1.0102%	$ 1,078.03	$ 12,936.31	$ 1,503.05	$ 18,036.60	$ 2,581.08	$ 30,972.90
6B	V	1/1	507	62	$1,035,000	0.4919%	0.4402%	$ 469.76	$ 5,637.38	$ 655.00	$ 7,859.98	$ 1,124.76	$ 13,497.37
6C	V	1/1	669		$1,100,000	0.6298%	0.5637%	$ 601.50	$ 7,218.01	$ 838.65	$ 10,063.79	$ 1,440.15	$ 17,281.79
6D	V	1/1	538		$955,000	0.5065%	0.4533%	$ 483.72	$ 5,804.62	$ 674.43	$ 8,093.15	$ 1,158.15	$ 13,897.77
6E	V	1/1	592		$1,050,000	0.5573%	0.4986%	$ 532.27	$ 6,387.23	$ 742.12	$ 8,905.47	$ 1,274.39	$ 15,292.71
6F	FM	0/1	378		$675,000	0.3559%	0.3185%	$ 339.66	$ 4,076.34	$ 473.66	$ 5,686.27	$ 813.72	$ 9,764.60
6G	RS	0/1	364		$550,000	0.3427%	0.3067%	$ 327.27	$ 3,927.29	$ 456.31	$ 5,475.68	$ 783.58	$ 9,402.95
6H	V	0/1	476		$690,000	0.4481%	0.4011%	$ 427.97	$ 5,135.66	$ 596.71	$ 7,160.48	$ 1,024.68	$ 12,296.16

The accompanying notes should be read in conjunction with this schedule.

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINIUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,6) RESIDENTIAL COMMON INTEREST	(4,6) COMMON INTEREST	(5) PROJECTED MONTHLY COMMON CHARGES	(5) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
6J	V	0/1	466		$752,000	0.4387%	0.3926%	$ 418.66	$ 5,027.79	$ 584.17	$ 7,010.05	$ 1,003.15	$ 12,037.84
6K	V	0/1	445		$745,000	0.4189%	0.3749%	$ 400.10	$ 4,801.22	$ 557.85	$ 6,694.15	$ 957.95	$ 11,495.36
6L	V	0/1	504		$820,000	0.4745%	0.4246%	$ 453.15	$ 5,437.78	$ 631.81	$ 7,581.69	$ 1,084.96	$ 13,019.47
6M	V	0/1	493		$750,000	0.4641%	0.4154%	$ 443.26	$ 5,319.10	$ 618.02	$ 7,416.21	$ 1,061.28	$ 12,735.31
6N	V	0/1	490		$675,000	0.4613%	0.4128%	$ 440.56	$ 5,286.73	$ 614.26	$ 7,371.09	$ 1,054.82	$ 12,657.82
6O	V	0/1	453		$650,000	0.4265%	0.3817%	$ 407.29	$ 4,887.53	$ 567.87	$ 6,814.49	$ 975.17	$ 11,702.02
6P	V	1/1	729		$1,090,000	0.6863%	0.6142%	$ 655.45	$ 7,865.36	$ 913.68	$ 10,966.37	$ 1,569.31	$ 18,831.73
6R	V	0/1	506		$570,000	0.4764%	0.4263%	$ 454.95	$ 5,459.36	$ 634.31	$ 7,611.77	$ 1,089.26	$ 13,071.13
7A	V	2/2	1199		$1,680,000	1.1287%	1.0102%	$ 1,078.03	$ 12,936.31	$ 1,503.05	$ 18,036.80	$ 2,581.08	$ 30,972.90
7B	V	1/1	507	62	$750,000	0.4919%	0.4402%	$ 469.78	$ 5,637.38	$ 655.00	$ 7,859.98	$ 1,124.78	$ 13,497.37
7C	V	1/1	669		$1,110,000	0.8298%	0.5637%	$ 601.50	$ 7,218.01	$ 638.65	$ 10,063.79	$ 1,440.15	$ 17,281.79
7D	V	2/2.5	1415		$2,330,000	1.3321%	1.1922%	$ 1,272.23	$ 15,266.78	$ 1,773.82	$ 21,285.89	$ 3,046.06	$ 36,552.67
7E	V	1/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
7F	V	0/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
7G	V	0/1	364		$560,000	0.3427%	0.3067%	$ 327.27	$ 3,927.29	$ 456.31	$ 5,475.66	$ 783.58	$ 9,402.95
7H	V	0/1	476		$900,000	0.4481%	0.4011%	$ 427.97	$ 5,135.66	$ 596.71	$ 7,160.48	$ 1,024.68	$ 12,296.16
7J	V	0/1	466		$760,000	0.4387%	0.3926%	$ 418.96	$ 5,027.79	$ 584.17	$ 7,010.05	$ 1,003.15	$ 12,037.84
7K	V	0/1	445		$755,000	0.4189%	0.3749%	$ 400.10	$ 4,801.22	$ 557.85	$ 6,694.15	$ 957.95	$ 11,495.36
7L	V	0/1	504		$830,000	0.4745%	0.4248%	$ 453.15	$ 5,437.78	$ 631.81	$ 7,561.69	$ 1,084.96	$ 13,019.47
7M	V	0/1	493		$760,000	0.4641%	0.4154%	$ 443.26	$ 5,319.10	$ 618.02	$ 7,416.21	$ 1,061.26	$ 12,735.31
7N	V	0/1	490		$685,000	0.4613%	0.4128%	$ 440.56	$ 5,286.73	$ 614.26	$ 7,371.09	$ 1,054.82	$ 12,657.82
7O	V	0/1	453		$660,000	0.4265%	0.3817%	$ 407.29	$ 4,887.53	$ 567.87	$ 6,814.49	$ 975.17	$ 11,702.02
7P	V	1/1	729		$1,100,000	0.6863%	0.6142%	$ 655.45	$ 7,865.36	$ 913.68	$ 10,966.37	$ 1,569.31	$ 18,831.73
7R	V	0/1	508		$575,000	0.4764%	0.4263%	$ 454.95	$ 5,459.36	$ 634.31	$ 7,611.77	$ 1,089.26	$ 13,071.13
8A	V	1/1	662		$1,000,000	0.6232%	0.5578%	$ 595.21	$ 7,142.46	$ 829.87	$ 9,958.49	$ 1,425.06	$ 17,100.97
8B	V	1/1	698	-	$1,050,000	0.6571%	0.5881%	$ 627.57	$ 7,530.89	$ 875.00	$ 10,500.04	$ 1,502.58	$ 18,030.93
8C	V	1/1	542		$915,000	0.5102%	0.4567%	$ 487.31	$ 5,847.77	$ 679.44	$ 8,153.32	$ 1,166.76	$ 14,001.10
8D	RS	1/1	538		$965,000	0.5065%	0.4533%	$ 483.72	$ 5,804.62	$ 674.43	$ 8,093.15	$ 1,158.15	$ 13,897.77
8E	V	1/1	592		$1,060,000	0.5573%	0.4988%	$ 532.27	$ 6,387.23	$ 742.12	$ 8,905.47	$ 1,274.39	$ 15,292.71
8F	FM	0/1	378		$685,000	0.3559%	0.3185%	$ 339.66	$ 4,076.34	$ 473.86	$ 5,686.27	$ 813.72	$ 9,764.60
8G	V	0/1	364		$570,000	0.3427%	0.3067%	$ 327.27	$ 3,927.29	$ 456.31	$ 5,475.66	$ 783.58	$ 9,402.95
8H	V	0/1	476		$910,000	0.4481%	0.4011%	$ 427.97	$ 5,135.66	$ 596.71	$ 7,160.48	$ 1,024.68	$ 12,296.16
8J	V	0/1	466		$770,000	0.4387%	0.3926%	$ 418.96	$ 5,027.79	$ 584.17	$ 7,010.05	$ 1,003.15	$ 12,037.84
8K	V	0/1	445		$765,000	0.4189%	0.3749%	$ 400.10	$ 4,801.22	$ 557.85	$ 6,694.15	$ 957.95	$ 11,495.36
8L	V	0/1	504		$840,000	0.4745%	0.4246%	$ 453.15	$ 5,437.78	$ 631.81	$ 7,581.69	$ 1,084.96	$ 13,019.47
8M	V	0/1	493		$770,000	0.4641%	0.4154%	$ 443.26	$ 5,319.10	$ 618.02	$ 7,416.21	$ 1,061.28	$ 12,735.31
8N	V	0/1	490		$695,000	0.4813%	0.4128%	$ 440.56	$ 5,286.73	$ 614.26	$ 7,371.09	$ 1,054.82	$ 12,657.82
8O	V	0/1	453		$670,000	0.4265%	0.3817%	$ 407.29	$ 4,887.53	$ 567.87	$ 6,814.49	$ 975.17	$ 11,702.02
8P	V	1/1	729		$1,110,000	0.6863%	0.6142%	$ 655.45	$ 7,865.36	$ 913.68	$ 10,966.37	$ 1,569.31	$ 18,831.73
8R	RS	0/1	750		$1,180,000	0.7061%	0.6319%	$ 674.33	$ 8,091.94	$ 940.19	$ 11,282.27	$ 1,614.52	$ 19,374.21
9A	V	2/2	1199		$1,900,000	1.1287%	1.0102%	$ 1,078.03	$ 12,936.31	$ 1,503.05	$ 18,036.60	$ 2,581.08	$ 30,972.90
9B	V	1/1	507	62	$770,000	0.4919%	0.4402%	$ 469.78	$ 5,637.38	$ 655.00	$ 7,859.98	$ 1,124.78	$ 13,497.37
9C	V	1/1	669		$1,130,000	0.6298%	0.5637%	$ 601.50	$ 7,218.01	$ 638.65	$ 10,063.79	$ 1,440.15	$ 17,281.79
9D	V	2/2.5	1415		$2,370,000	1.3321%	1.1922%	$ 1,272.23	$ 15,266.78	$ 1,773.82	$ 21,285.89	$ 3,046.06	$ 36,552.67
9E	V	1/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
9F	V	0/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes should be read in conjunction with this schedule.

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST	(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
9G	V	0/1	364		$580,000	0.3427%	0.3087%	$ 327.27	$ 3,927.29	$ 456.31	$ 5,475.66	$ 783.58	$ 9,402.95
9H	V	0/1	476		$920,000	0.4481%	0.4011%	$ 427.97	$ 5,135.68	$ 596.71	$ 7,160.46	$ 1,024.68	$ 12,296.16
9J	V	0/1	466		$780,000	0.4387%	0.3926%	$ 418.98	$ 5,027.79	$ 584.17	$ 7,010.05	$ 1,003.15	$ 12,037.84
9K	V	0/1	445		$775,000	0.4189%	0.3749%	$ 400.10	$ 4,801.22	$ 557.85	$ 6,694.15	$ 957.95	$ 11,495.36
9L	V	0/1	504		$850,000	0.4745%	0.4246%	$ 453.15	$ 5,437.78	$ 631.81	$ 7,581.69	$ 1,084.96	$ 13,019.47
9M	V	0/1	493		$780,000	0.4641%	0.4154%	$ 443.26	$ 5,319.10	$ 618.02	$ 7,416.21	$ 1,061.28	$ 12,735.31
9N	V	0/1	490		$705,000	0.4613%	0.4128%	$ 440.56	$ 5,286.73	$ 614.26	$ 7,371.09	$ 1,054.82	$ 12,657.82
9O	RS	0/1	453		$675,000	0.4265%	0.3817%	$ 407.29	$ 4,887.53	$ 567.87	$ 6,814.49	$ 975.17	$ 11,702.02
9P	RS	1/1	729		$1,150,000	0.6863%	0.6142%	$ 655.45	$ 7,865.36	$ 913.86	$ 10,966.37	$ 1,569.31	$ 18,831.73
9R	V	0/1	506		$585,000	0.4764%	0.4263%	$ 454.95	$ 5,459.36	$ 634.31	$ 7,611.77	$ 1,089.26	$ 13,071.13
10A	V	2/2	1199		$1,920,000	1.1287%	1.0102%	$ 1,078.03	$ 12,936.31	$ 1,503.05	$ 18,036.60	$ 2,581.08	$ 30,972.90
10B	V	1/1	507	62	$780,000	0.4919%	0.4402%	$ 469.78	$ 5,637.36	$ 655.00	$ 7,859.88	$ 1,124.78	$ 13,497.37
10C	V	1/1	669		$1,140,000	0.6298%	0.5637%	$ 601.50	$ 7,218.01	$ 838.65	$ 10,063.78	$ 1,440.15	$ 17,281.79
10D	V	2/2.5	1415		$2,390,000	1.3321%	1.1922%	$ 1,272.23	$ 15,266.78	$ 1,773.82	$ 21,285.89	$ 3,046.06	$ 36,552.67
10E	V	1/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
10F	V	0/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
10G	RS	0/1	384		$590,000	0.3427%	0.3087%	$ 327.27	$ 3,927.29	$ 456.31	$ 5,475.66	$ 783.58	$ 9,402.95
10H	V	0/1	476		$930,000	0.4481%	0.4011%	$ 427.87	$ 5,135.68	$ 596.71	$ 7,160.48	$ 1,024.68	$ 12,296.16
10J	V	0/1	466		$790,000	0.4387%	0.3926%	$ 418.98	$ 5,027.79	$ 584.17	$ 7,010.05	$ 1,003.15	$ 12,037.84
10K	V	0/1	445		$785,000	0.4189%	0.3749%	$ 400.10	$ 4,801.22	$ 557.85	$ 6,694.15	$ 957.95	$ 11,495.36

The accompanying notes should be read in conjunction with this schedule.

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST	(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
10L	V	0/1	504		$860,000	0.4745%	0.4246%	$ 453.15	$ 5,437.78	$ 631.81	$ 7,581.69	$ 1,084.96	$ 13,019.47
10M	RS	0/1	493		$790,000	0.4641%	0.4154%	$ 443.26	$ 5,319.10	$ 616.02	$ 7,416.21	$ 1,061.28	$ 12,735.31
10N	V	0/1	490		$715,000	0.4613%	0.4128%	$ 440.56	$ 5,286.73	$ 614.26	$ 7,371.09	$ 1,054.82	$ 12,657.82
10O	V	0/1	453		$710,000	0.4265%	0.3817%	$ 407.29	$ 4,887.53	$ 567.87	$ 6,814.49	$ 975.17	$ 11,702.02
10P	V	1/1	729		$1,160,000	0.6863%	0.6142%	$ 655.45	$ 7,865.36	$ 913.86	$ 10,966.37	$ 1,569.31	$ 18,831.73
10R	V	0/1	506		$590,000	0.4764%	0.4263%	$ 454.95	$ 5,459.36	$ 634.31	$ 7,611.77	$ 1,089.26	$ 13,071.13
11A	V	2/2	1199		$1,940,000	1.1287%	1.0102%	$ 1,078.03	$ 12,936.31	$ 1,503.05	$ 18,036.60	$ 2,581.08	$ 30,972.90
11B	V	1/1	507	62	$790,000	0.4919%	0.4402%	$ 469.78	$ 5,637.36	$ 655.00	$ 7,859.98	$ 1,124.78	$ 13,497.37
11C	V	1/1	669		$1,150,000	0.6298%	0.5637%	$ 601.50	$ 7,218.01	$ 838.65	$ 10,063.79	$ 1,440.15	$ 17,281.79
11D	V	2/2.5	1415		$2,410,000	1.3321%	1.1922%	$ 1,272.23	$ 15,266.78	$ 1,773.82	$ 21,285.89	$ 3,046.06	$ 36,552.67
11E	V	1/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
11F	V	0/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
11G	V	0/1	364		$600,000	0.3427%	0.3067%	$ 327.27	$ 3,927.29	$ 456.31	$ 5,475.66	$ 783.58	$ 9,402.95
11H	V	0/1	476		$940,000	0.4481%	0.4011%	$ 427.97	$ 5,135.68	$ 596.71	$ 7,160.48	$ 1,024.68	$ 12,296.16
11J	V	0/1	466		$800,000	0.4387%	0.3926%	$ 418.98	$ 5,027.79	$ 584.17	$ 7,010.05	$ 1,003.15	$ 12,037.84
11K	V	0/1	445		$790,000	0.4189%	0.3749%	$ 400.10	$ 4,801.22	$ 557.85	$ 6,694.15	$ 957.95	$ 11,495.36
11L	V	0/1	504		$870,000	0.4745%	0.4246%	$ 453.15	$ 5,437.78	$ 631.81	$ 7,581.69	$ 1,084.96	$ 13,019.47
11M	V	0/1	493		$800,000	0.4641%	0.4154%	$ 443.26	$ 5,319.10	$ 616.02	$ 7,416.21	$ 1,061.28	$ 12,735.31
11N	V	0/1	490		$725,000	0.4613%	0.4128%	$ 440.56	$ 5,286.73	$ 614.26	$ 7,371.09	$ 1,054.82	$ 12,657.82
11O	V	0/1	453		$715,000	0.4265%	0.3817%	$ 407.29	$ 4,887.53	$ 567.87	$ 6,814.49	$ 975.17	$ 11,702.02
11P	RS	1/1	729		$1,170,000	0.6863%	0.6142%	$ 655.45	$ 7,865.36	$ 913.86	$ 10,966.37	$ 1,569.31	$ 18,831.73
11R	V	0/1	506		$595,000	0.4764%	0.4263%	$ 454.95	$ 5,459.36	$ 634.31	$ 7,611.77	$ 1,089.26	$ 13,071.13
12A	V	1/1	662		$1,035,000	0.6232%	0.5578%	$ 595.21	$ 7,142.48	$ 829.67	$ 9,956.49	$ 1,425.08	$ 17,100.97
12B	V	1/1	698	-	$1,090,000	0.6571%	0.5881%	$ 827.57	$ 7,530.89	$ 875.00	$ 10,500.04	$ 1,502.58	$ 18,030.93
12C	V	1/1	669		$1,160,000	0.6298%	0.5637%	$ 601.50	$ 7,218.01	$ 838.65	$ 10,063.79	$ 1,440.15	$ 17,281.79
12D	V	2/2.5	1415		$2,430,000	1.3321%	1.1922%	$ 1,272.23	$ 15,266.78	$ 1,773.82	$ 21,285.89	$ 3,046.06	$ 36,552.67
12E	V	1/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
12F	V	0/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
12G	V	0/1	364		$610,000	0.3427%	0.3067%	$ 327.27	$ 3,927.29	$ 456.31	$ 5,475.66	$ 783.58	$ 9,402.95
12H	V	0/1	476		$950,000	0.4481%	0.4011%	$ 427.97	$ 5,135.68	$ 596.71	$ 7,160.48	$ 1,024.68	$ 12,296.16
12J	V	0/1	466		$805,000	0.4387%	0.3926%	$ 418.98	$ 5,027.79	$ 584.17	$ 7,010.05	$ 1,003.15	$ 12,037.84
12K	V	0/1	445		$800,000	0.4189%	0.3749%	$ 400.10	$ 4,801.22	$ 557.85	$ 6,694.15	$ 957.95	$ 11,495.36
12L	V	0/1	504		$880,000	0.4745%	0.4246%	$ 453.15	$ 5,437.78	$ 631.81	$ 7,581.69	$ 1,084.96	$ 13,019.47
12M	V	0/1	493		$810,000	0.4641%	0.4154%	$ 443.26	$ 5,319.10	$ 618.02	$ 7,416.21	$ 1,061.28	$ 12,735.31
12N	V	0/1	490		$735,000	0.4613%	0.4128%	$ 440.58	$ 5,286.73	$ 614.26	$ 7,371.09	$ 1,054.82	$ 12,657.82
12O	V	0/1	453		$725,000	0.4265%	0.3817%	$ 407.29	$ 4,887.53	$ 567.87	$ 6,814.49	$ 975.17	$ 11,702.02
12P	V	1/1	729		$1,180,000	0.6863%	0.8142%	$ 655.45	$ 7,865.36	$ 913.86	$ 10,966.37	$ 1,569.31	$ 18,831.73
12R	RS	1/1	750		$1,510,000	0.7061%	0.6319%	$ 674.33	$ 6,091.94	$ 940.19	$ 11,282.27	$ 1,614.52	$ 19,374.21
PHA	RS	1/1	662	62	$1,330,000	0.6378%	0.5708%	$ 609.14	$ 7,309.72	$ 849.30	$ 10,191.65	$ 1,458.45	$ 17,501.37
PHB	RS	1/1	698	-	$1,400,000	0.6571%	0.5881%	$ 827.57	$ 7,530.89	$ 875.00	$ 10,500.04	$ 1,502.58	$ 18,030.93
PHC	RS	1/1	542		$1,085,000	0.5102%	0.4567%	$ 487.31	$ 5,847.77	$ 679.44	$ 8,153.32	$ 1,166.76	$ 14,001.10
PHD	V	2/2.5	1415		$2,355,000	1.3321%	1.1922%	$ 1,272.23	$ 15,266.78	$ 1,773.82	$ 21,285.89	$ 3,046.06	$ 36,552.67
PHE	V	1/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
PHF	V	0/1	0		$0	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
PHG	V	0/1	364		$610,000	0.3427%	0.3067%	$ 327.27	$ 3,927.29	$ 456.31	$ 5,475.66	$ 783.58	$ 9,402.95
PHH	V	0/1	476		$1,010,000	0.4481%	0.4011%	$ 427.97	$ 5,135.68	$ 596.71	$ 7,160.48	$ 1,024.68	$ 12,296.16

The accompanying notes should be read in conjunction with this schedule

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST	(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
PHJ	V	0/1	466		$945,000	0.4387%	0.3926%	$ 418.98	$ 5,027.79	$ 584.17	$ 7,010.05	$ 1,003.15	$ 12,037.84
PHK	V	0/1	445		$900,000	0.4189%	0.3749%	$ 400.10	$ 4,801.22	$ 557.85	$ 6,694.15	$ 957.95	$ 11,495.36
PHL	V	0/1	504		$1,000,000	0.4745%	0.4248%	$ 453.15	$ 5,437.78	$ 631.81	$ 7,581.89	$ 1,084.96	$ 13,019.47
PHM (D)	V	1/1	965		$1,950,000	0.9085%	0.8131%	$ 867.64	$ 10,411.62	$ 1,209.71	$ 14,516.53	$ 2,077.35	$ 24,928.15
PHN	V	0/1	490		$945,000	0.4613%	0.4126%	$ 440.56	$ 5,286.73	$ 614.26	$ 7,371.09	$ 1,054.82	$ 12,657.82
PHO	V	0/1	453		$910,000	0.4265%	0.3817%	$ 407.29	$ 4,887.53	$ 567.87	$ 6,814.49	$ 975.17	$ 11,702.02
PHP	V	1/1	729		$1,450,000	0.6863%	0.6142%	$ 655.45	$ 7,865.36	$ 913.86	$ 10,966.37	$ 1,569.31	$ 18,831.73
PHR (D)	V	1/1	944		$1,690,000	0.8887%	0.7954%	$ 848.75	$ 10,185.05	$ 1,183.39	$ 14,200.62	$ 2,032.14	$ 24,385.67
RES TOTAL			106,032	768	$166,302,000	100.0000%	89.4982%	$ 95,506.42	$1,146,077.00	$ 133,160.92	$ 1,597,931.00	$ 228,667.33	$ 2,744,008.00
COMMERCIAL			11,613				10.5018%	$ 1,494.87	$ 17,938.00	$ 4,178.58	$ 50,119.00	$ 5,671.25	$ 68,055.00
GRAND TOTAL			117,645	768	$166,302,000	100.0000%	100.0000%	$ 97,001.08	$1,164,013.00	$ 137,337.50	$ 1,648,050.00	$ 234,338.58	$ 2,812,063.00

The Symbol used in the Schedule A have the following meaning:
RM denotes Resident Manager's Unit
D denotes Duplex
FM denotes Fair Market
RS denotes Rent Stabilized
V denotes Vacant

NOTE: Since the Resident Manager's Unit, RM, is a General Common Element for budget purposes, General Common Expenses will be apportioned to the Units based on the Percentage of Common Interest.

The accompanying notes should be read in conjunction with this schedule

FIRST AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

254 PARK AVENUE SOUTH CONDOMINIUM
254 PARK AVENUE SOUTH
NEW YORK, NEW YORK

Dated: March 7, 2008

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Exhibits

A	Floor Plans
B	Schedule A

FIRST AMENDMENT
TO
CONDOMINIUM OFFERING PLAN
254 PARK AVENUE SOUTH CONDOMINIUM

This First Amendment modifies and supplements the terms of the Condominium Offering Plan for 254 Park Avenue South Condominium, 254 Park Avenue South, New York, New York, dated January 4, 2008, ("the Plan").

The terms of this First Amendment are as follows:

1. Unit Combinations

Sponsor hereby amends the Plan to reflect revised floor plans for the following Units as shown on the revised Floor Plans attached hereto as Exhibit "A".

Unit Combinations:
2LM (2L + 2M); 3A (portion of 3A + 3B); 3B (portion of 3A + 3R); 3C (3C + portion of 3D); 3D (portion of 3D + 3E + 3F); 4A (portion of 4A + 4B); 4B (portion of 4A + 4R); 4C (4C + portion of 4D); 4D (portion of 4D + 4E + 4F); 5A (portion of 5A + 5B); 5B (portion of 5A + 5R); 5C (5C + portion of 5D); 5D (portion of 5D + 5E + 5F); 6A (portion of 6A + 6B); 6B (portion of 6A + 6R); 6C (6C + 6D); 7A (portion of 7A + 7B); 7B (portion of 7A + 7R); 7C (7C + portion of 7D); 7D (portion of 7D + 7E + 7F); 9A (portion of 9A + 9B); 9B (portion of 9A + 9R); 9C (9C + portion of 9D); 9D (portion of 9D + 9E + 9F); 10A (portion of 10A + 10B); 10B (portion of 10A + 10R); 10C (10C + portion of 10D); 10D (portion of 10D + 10E + 10F); 11A (portion of 11A + 11B); 11B (portion of 11A + 11R); 11C (11C + portion of 11D); 11D (portion of 11D + 11E + 11F); 12A (portion of 12A + 12B); 12B (portion of 12A + 12R); 12C (12C + portion of 12D); 12D (portion of 12D + 12E + 12F); PHD (PHD + PHE + PHF).

6. Corrections to Schedule A

Annexed hereto as Exhibit "B" is a revised Schedule A which reflect minor revisions to the square footage and Common Interest percentages of the Units.

Revision to Identity of Parties

a. Sponsor's counsel has changed its name to Dewey & LeBoeuf LLP and will still have an office at 125 West 55th Street, New York, New York 10019 ("Sponsor's Counsel"). Sponsor's Counsel will serve as Escrow Agent under the Purchase Agreements and will represent Sponsor in connection with Unit closings.

Name Change of Escrow Agent

The term "Escrow Agent" as used in this Plan shall now mean Dewey & LeBoeuf LLP, the Escrow Agent, whose address is 125 West 55th Street, New York, New York 10019, and whose telephone number is 212-424-8000. The signatories on the Escrow Account authorized to withdraw funds are any one of Stuart M. Saft, Peter Britell, and Joel Sanders. The name of the Escrow Account will be "Dewey & LeBoeuf LLP Attorney Escrow Account – The 254 Park Avenue South Condominium" or similar name, located at Citibank, N.A., 666 Fifth Avenue, New York, New York 10103 (the "Bank"). A copy of the Escrow Agreement between Sponsor and the Escrow Agent is attached hereto as Exhibit C.

11. Incorporation of the Plan

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

12. Definitions

All terms used in this Amendment not otherwise defined herein shall have the same meanings ascribed to them in the Plan.

13. No Material Changes

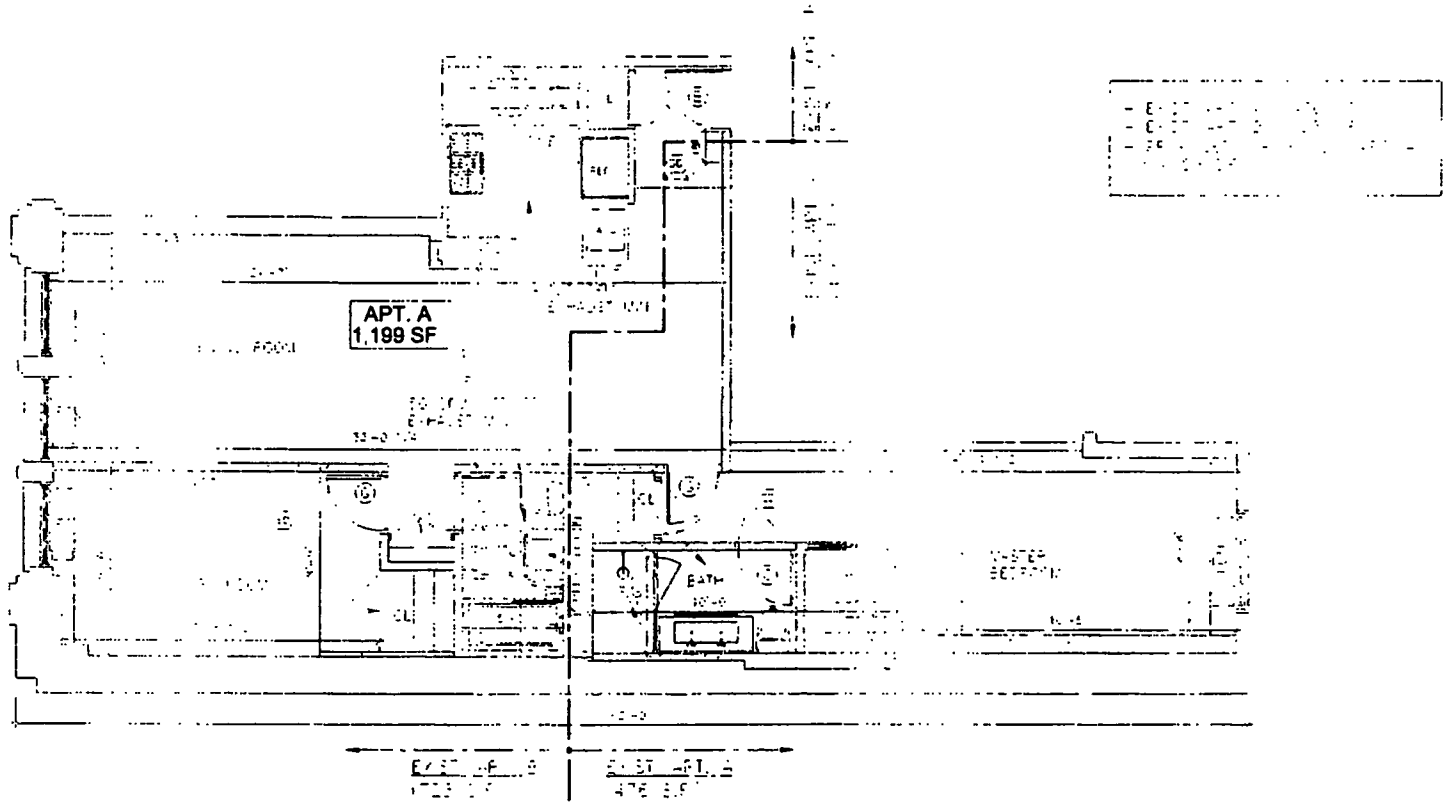
Except as set forth in this Amendment, there have been no material changes of facts or circumstances affecting the Property or the offering.

SPONSOR:

254 PAS Property LLC

EXHIBIT "A"

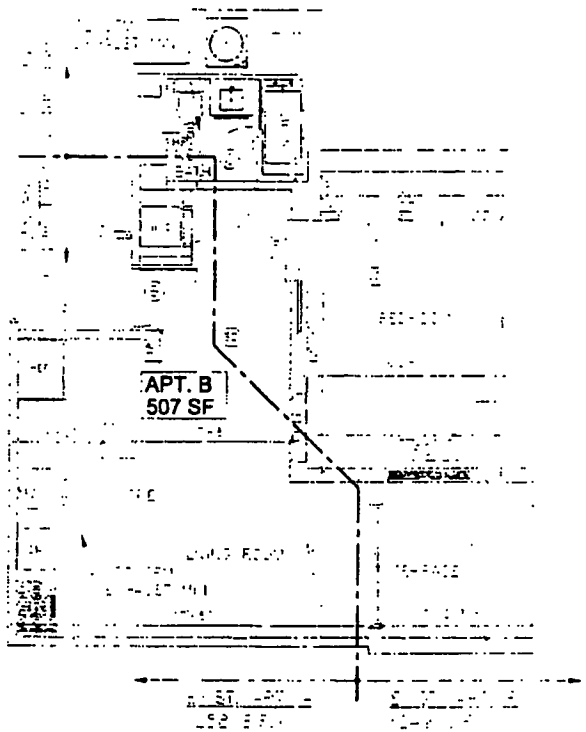
FLOOR PLANS



1 TYPICAL FLOOR PLAN - APT. A

MATT MARKOWITZ
ARCHITECT, PC
501 FIFTH AVENUE
NEW YORK, NY 10017
212.682.0484

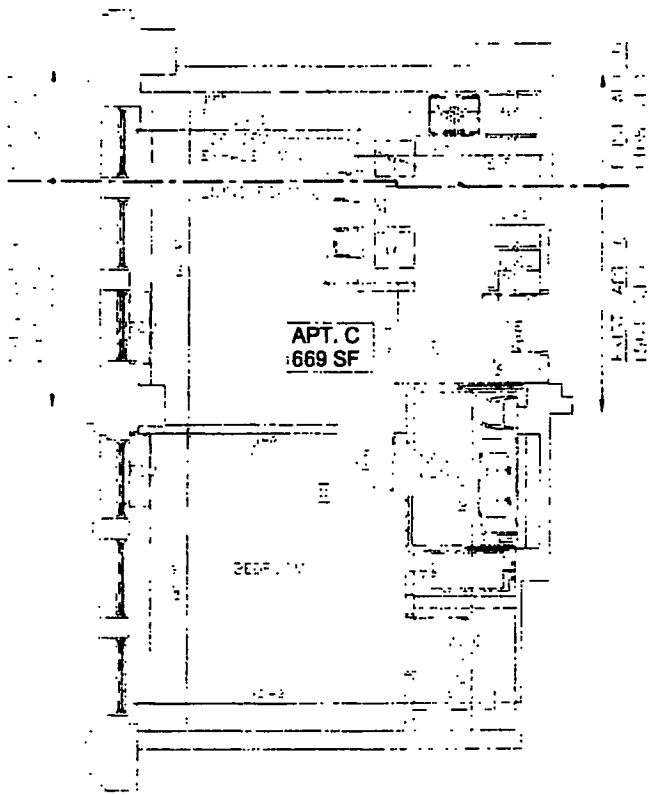
APT. A



1 TYPICAL FLOOR PLAN - APT. B

MATT MARKOWITZ
ARCHITECT, PC
501 FIFTH AVENUE
NEW YORK, NY 10017
212.682.0484

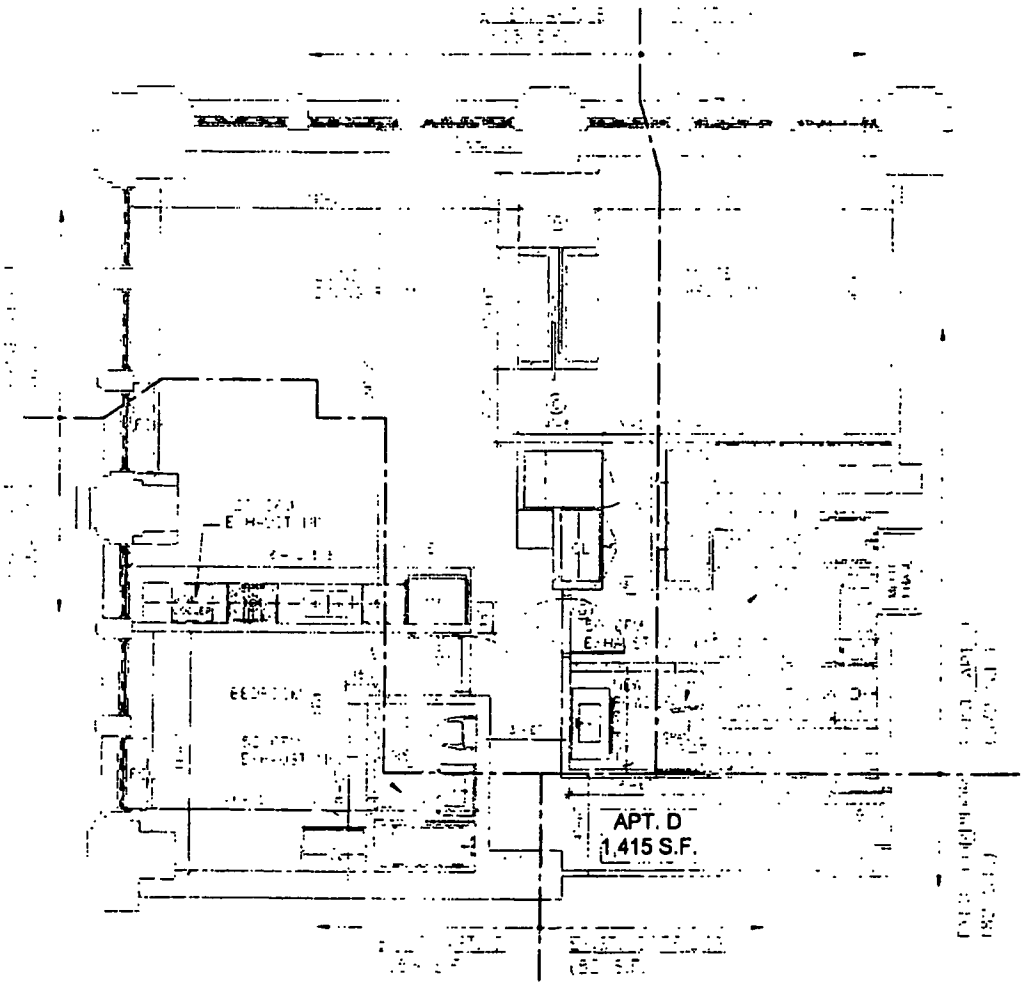
APT.B



1 TYPICAL FLOOR PLAN - APT. C

MATT MARKOWITZ
ARCHITECT, PC
501 FIFTH AVENUE
NEW YORK, NY 10017
212.682.0484

APT.C



1 TYPICAL FLOOR PLAN - APT. D

MATT MARKOWITZ
ARCHITECT, PC
501 FIFTH AVENUE
NEW YORK, NY 10017
212.692.0484

APT.D

EXHIBIT "B"

SCHEDULE A

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINIUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(a) UNIT	UNIT STATUS	NO OF BEDROOMS BATHS	(c) APPROX UNIT SQUARE FOOTAGE	(d) APPROX TERRACE SQUARE FOOTAGE	(e) OFFERING PRICE	(f) RESIDENTIAL COMMON INTEREST	(g) COMMON INTEREST	(h) PROJECTED MONTHLY COMMON CHARGES	(i) PROJECTED ANNUAL COMMON CHARGES	(j) PROJECTED MONTHLY RE TAXES	(k) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
1N	V	0/1	490		$585,800	0.4613%	0.4128%	$ 440.53	$ 5,286.38	$ 614.22	$ 7,370.60	$ 1,054.75	$ 12,656.98
1O	V	0/1	453		$615,000	0.4264%	0.3816%	$ 407.27	$ 4,887.21	$ 567.84	$ 6,814.04	$ 975.10	$ 11,701.25
1P	V	1/1	728	105	$1,910,000	0.7110%	0.6363%	$ 679.60	$ 8,148.04	$ 946.71	$ 11,360.60	$ 1,625.71	$ 19,508.54
1R	RS	1/1	750	105	$1,035,000	0.7307%	0.6540%	$ 697.88	$ 8,374.50	$ 973.03	$ 11,676.38	$ 1,670.92	$ 20,050 98
2LM (RM)	V	0/1	650		$980,000	0.6119%	0.5476%	$ 584.38	$ 7,012.55	$ 814.78	$ 9,777.33	$ 1,399.16	$ 16,789.87
2N	V	0/1	490		$545,000	0.4613%	0.4126%	$ 440.53	$ 5,286.38	$ 614.22	$ 7,370.60	$ 1,054.75	$ 12,656.98
2O	V	0/1	453		$550,000	0.4264%	0.3816%	$ 407.27	$ 4,887.21	$ 567.84	$ 6,814.04	$ 975.10	$ 11,701.25
2P	V	1/1	728		$385,000	0.6862%	0.6142%	$ 655.40	$ 7,864.84	$ 913.80	$ 10,965.65	$ 1,569.21	$ 18,830.49
2R	V	1/1	506		$585,000	0.4763%	0.4263%	$ 454.92	$ 5,459.00	$ 634.27	$ 7,611.27	$ 1,089.19	$ 13,070 27
3A	V	2/2.5	1189		$1,880,000	1.1287%	1.0101%	$ 1,077.85	$ 12,935.46	$ 1,502.95	$ 18,035.41	$ 2,580.81	$ 30,970.98
3B	V	1/1	507	82	$730,000	0.4919%	0.4402%	$ 469.75	$ 5,637.01	$ 654.96	$ 7,859.47	$ 1,124.71	$ 13,496.48
3C	V	1/1	869		$1,080,000	0.8396%	0.5636%	$ 601.46	$ 7,217.53	$ 838.59	$ 10,063.13	$ 1,440.05	$ 17,280.66
3D	V	2/2.5	1415		$2,250,000	1 3320%	1.1921%	$ 1,272.15	$ 15,265.78	$ 1,773.71	$ 21,284.49	$ 3,045.86	$ 36,550.27
3G	V	0/1	553		$750,000	0.5206%	0.4659%	$ 497.17	$ 5,966.06	$ 693.19	$ 8,318.25	$ 1,190.36	$ 14,284.31
3H	V	0/1	716		$959,000	0.6740%	0.6032%	$ 643.72	$ 7,724.59	$ 897.51	$ 10,770.10	$ 1,541.22	$ 18,494.69
3J	V	0/1	688		$950,000	0.6486%	0.5805%	$ 619.44	$ 7,433.30	$ 863.86	$ 10,363.87	$ 1,483.11	$ 17,797.27
3K	V	0/1	681		$935,000	0.6411%	0.5737%	$ 612.25	$ 7,346.99	$ 853.84	$ 10,243.63	$ 1,465.98	$ 17,590.62
3L	V	0/1	782		$920,000	0.7361%	0.6588%	$ 703.05	$ 8,436.64	$ 980.24	$ 11,762.88	$ 1,683.29	$ 20,199.51
3M	V	0/1	671		$935,000	0.6316%	0.5653%	$ 603.26	$ 7,238.11	$ 841.10	$ 10,093.21	$ 1,444.36	$ 17,332 32
3N	V	0/1	708		$905,800	0.6846%	0.5948%	$ 634.73	$ 7,616.71	$ 884.97	$ 10,619.66	$ 1,519.70	$ 18,236.38
3O	V	0/1	681		$795,000	0.6411%	0.5737%	$ 612.25	$ 7,346.99	$ 853.84	$ 10,243.63	$ 1,465.69	$ 17,590.62
3P	V	1/1	966		$1,150,000	0.9093%	0.8138%	$ 868.48	$ 10,421 73	$ 1,210.88	$ 14,530.61	$ 2,079.36	$ 24,952 34
3R	V	0/1	788		$855,800	0.7418%	0.6639%	$ 708.45	$ 8,501 37	$ 987.76	$ 11,853.13	$ 1,696.21	$ 20,354.48
4A	V	2/2.5	1189		$1,885,000	1.1287%	1.0101%	$ 1,077.85	$ 12,935.46	$ 1,502.95	$ 18,035.41	$ 2,580.81	$ 30,970 98
4B	V	1/1	507	82	$735,000	0.4919%	0.4402%	$ 469.75	$ 5,637.01	$ 654.96	$ 7,859.47	$ 1,124.71	$ 13,496.48
4C	V	1/1	688		$1,090,000	0.8206%	0.5636%	$ 601.46	$ 7,217.53	$ 838.59	$ 10,063.13	$ 1,440.05	$ 17,280 66
4D	V	2/2.5	1415		$2,250,800	1 3320%	1.1921%	$ 1,272.15	$ 15,265.78	$ 1,773.71	$ 21,284.49	$ 3,045.86	$ 36,550.27
4G	V	0/1	553		$770,000	0.5206%	0.4659%	$ 497.17	$ 5,966.06	$ 693.19	$ 8,318.25	$ 1,190.36	$ 14,284.31
4H	V	0/1	716		$970,000	0.6740%	0.6032%	$ 643.72	$ 7,724.59	$ 897.51	$ 10,770.10	$ 1,541 22	$ 18,494.69
4J	V	0/1	689		$950,000	0.6486%	0.5805%	$ 619.44	$ 7,433.30	$ 863.86	$ 10,363.87	$ 1,483.11	$ 17,797.27
4K	V	0/1	681		$6,885,000	0.6411%	0.5737%	$ 612.25	$ 7,346.99	$ 853.84	$ 10,243.63	$ 1,465.98	$ 17,590.62
4L	V	0/1	782		$940,000	0.7361%	0.6588%	$ 703.05	$ 8,436.64	$ 980.24	$ 11,762.88	$ 1,683.29	$ 20,199.51
4M	V	0/1	671		$955,000	0.6316%	0.5653%	$ 603.26	$ 7,239.11	$ 841.10	$ 10,093.21	$ 1,444.36	$ 17,332.32
4N	V	0/1	708		$925,000	0.6846%	0.5948%	$ 634.73	$ 7,616.71	$ 884.97	$ 10,619.66	$ 1,519.70	$ 18,236.38
4O	V	0/1	681		$815,000	0.6411%	0.5737%	$ 612.25	$ 7,346.99	$ 853.84	$ 10,243.63	$ 1,465.98	$ 17,590.62
4P	V	1/1	966		$1,150,000	0.9093%	0.8138%	$ 868.48	$ 10,421.73	$ 1,210.88	$ 14,530.61	$ 2,079.36	$ 24,952 34
4R	V	0/1	788		$875,000	0.7418%	0.6639%	$ 708.45	$ 8,501.37	$ 987.76	$ 11,853.13	$ 1,696.21	$ 20,354.48
5A	V	2/2.5	1189		$1,820,000	1.1287%	1.0101%	$ 1,077.85	$ 12,935.46	$ 1,502.95	$ 18,035.41	$ 2,580.81	$ 30,970 98
5B	V	1/1	507	82	$720,000	0.4919%	0.4402%	$ 469.75	$ 5,637.01	$ 654.96	$ 7,859.47	$ 1,124.71	$ 13,496 48
5C	V	1/1	869		$1,085,000	0.8288%	0.5636%	$ 601.46	$ 7,217.53	$ 838.59	$ 10,063.13	$ 1,440.05	$ 17,280 66
5D	V	2/2.5	1415		$2,180,000	1 3320%	1.1921%	$ 1,272.15	$ 15,265.78	$ 1,773.71	$ 21,284.49	$ 3,045.86	$ 36,550 27
5G	V	0/1	384		$700,000	0.3426%	0.3067%	$ 327.25	$ 3,927.03	$ 456.28	$ 5,475.39	$ 783.53	$ 9,402.33
5H	V	0/1	476		$880,000	0 4481%	0 4010%	$ 427.85	$ 5,135.34	$ 596.67	$ 7,160.01	$ 1,024.51	$ 12,285 35
5J	V	0/1	486		$750,000	0.4387%	0.3926%	$ 418.85	$ 5,027.46	$ 584.13	$ 7,009.59	$ 1,003.09	$ 12,037 05
5K	V	0/1	445		$740,000	0.4169%	0.3746%	$ 400.07	$ 4,800.96	$ 557.81	$ 6,693 71	$ 957.88	$ 11 494.61
5L	RS	0/1	504		$810,000	0.4744%	0.4248%	$ 453.12	$ 5,437 42	$ 631.77	$ 7,581.18	$ 1,084 89	$ 13,018 61
5M	V	0/1	493		$800,000	0.4641%	0.4153%	$ 443.23	$ 5,318.76	$ 617.96	$ 7,415.73	$ 1,061 21	$ 12,734.47
5N	V	0/1	490		$565,000	0.4613%	0.4126%	$ 440.53	$ 5,286.38	$ 614.22	$ 7,370.60	$ 1,054.75	$ 12,656.98
5O	V	0/1	453		$540,000	0.4264%	0.3816%	$ 407.27	$ 4,887.21	$ 567.84	$ 6,814.04	$ 975.10	$ 11,701 25
5P	V	1/1	729		$1,080,800	0.6862%	0.5142%	$ 655.40	$ 7,864.84	$ 913.80	$ 10,965.65	$ 1,569.21	$ 18,830 49
5R	V	0/1	506		$565,000	0.4763%	0.4263%	$ 454.92	$ 5,459.00	$ 634.27	$ 7,611.27	$ 1,089.19	$ 13,070 27
6A	V	2/2.5	1189		$1,840,000	1.1287%	1.0101%	$ 1,077.96	$ 12,935.46	$ 1,502.95	$ 18,035.41	$ 2,580.91	$ 30,970.86
6B	V	1/1	507	82	$1,025,080	0 4819%	0.4402%	$ 469.75	$ 5,637.01	$ 654.96	$ 7,859.47	$ 1,124.71	$ 13,496 48
6C	V	1/1	869		$1,075,000	0.8285%	0.5636%	$ 601.46	$ 7,217.53	$ 838.59	$ 10,063.13	$ 1,440 05	$ 17,280 66
6D	V	1/1	538		$955,800	0.5084%	0.4533%	$ 483.59	$ 5,804.23	$ 674.38	$ 8,092 62	$ 1,158.07	$ 13,896.85
6E	V	1/1	592		$1,050,000	0.5573%	0.4968%	$ 532.23	$ 6,386.81	$ 742.07	$ 8,904.89	$ 1,274.31	$ 15,281.70
6F	FM	0/1	376		$675,000	0.3558%	0.3185%	$ 339.84	$ 4,078.07	$ 473.82	$ 5,685.89	$ 813 66	$ 9,763.96

The accompanying notes should be read in conjunction with this schedule

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(a) UNIT	UNIT STATUS	NO OF BEDROOMS BATHS	(c) APPROX UNIT SQUARE FOOTAGE	(d) APPROX TERRACE SQUARE FOOTAGE	(e) OFFERING PRICE	(e) RESIDENTIAL COMMON INTEREST	(e) COMMON INTEREST	(g) PROJECTED MONTHLY COMMON CHARGES	(g) PROJECTED ANNUAL COMMON CHARGES	(i) PROJECTED MONTHLY RE TAXES	(i) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
5G	RS	0/1	364		$710,000	0.3426%	0.3067%	$ 327.25	$ 3,927.03	$ 456.26	$ 5,475.30	$ 783.58	$ 9,402.33
6H	V	0/1	478		$990,000	0.4481%	0.4010%	$ 427.95	$ 5,135.34	$ 598.67	$ 7,180.01	$ 1,024.81	$ 12,295.35

The accompanying notes should be read in conjunction with this schedule

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINIUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS BATHS	(2) APPROX UNIT SQUARE FOOTAGE	(2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4) RESIDENTIAL COMMON INTEREST	(4) COMMON INTEREST	(5) PROJECTED MONTHLY COMMON CHARGES	(5) PROJECTED ANNUAL COMMON CHARGES	(6) PROJECTED MONTHLY RE TAXES	(6) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
6J	V	0/1	466		$752,000	0.4367%	0.3826%	$ 418.65	$ 5,027.46	$ 584.13	$ 7,009.59	$ 1,003.09	$ 12,037.05
6K	V	0/1	445		$745,000	0.4189%	0.3749%	$ 400.07	$ 4,800.90	$ 557.81	$ 6,693.71	$ 957.88	$ 11,494.61
6L	V	0/1	504		$820,000	0.4744%	0.4246%	$ 456.12	$ 5,437.42	$ 631.77	$ 7,581.19	$ 1,084.88	$ 13,018.81
6M	V	0/1	493		$805,000	0.4641%	0.4153%	$ 443.23	$ 5,318.75	$ 617.98	$ 7,415.73	$ 1,061.21	$ 12,734.47
6N	V	0/1	490		$675,000	0.4613%	0.4129%	$ 440.53	$ 5,286.38	$ 614.22	$ 7,370.60	$ 1,054.75	$ 12,656.98
6O	V	0/1	453		$650,000	0.4264%	9.3816%	$ 407.27	$ 4,887.21	$ 567.84	$ 6,814.04	$ 975.10	$ 11,701.25
6P	V	1/1	729		$1,090,000	0.6862%	9.6142%	$ 655.40	$ 7,864.84	$ 913.90	$ 10,965.65	$ 1,569.21	$ 18,830.48
6R	V	0/1	506		$570,000	0.4763%	0.4263%	$ 454.92	$ 5,458.00	$ 634.27	$ 7,611.27	$ 1,089.19	$ 13,070.27
7A	V	2/2.5	1199		$1,960,000	1.1287%	1.0101%	$ 1,077.85	$ 12,935.46	$ 1,502.85	$ 18,035.41	$ 2,580.91	$ 30,970.86
7B	V	1/1	507	62	$740,000	0.4919%	0.4402%	$ 469.75	$ 5,637.01	$ 654.96	$ 7,859.47	$ 1,124.71	$ 13,496.48
7C	V	1/1	669		$1,085,000	0.6298%	0.5636%	$ 601.46	$ 7,217.53	$ 838.59	$ 10,063.13	$ 1,440.05	$ 17,280.66
7D	V	2/2.5	1415		$2,230,000	1.3320%	1.1921%	$ 1,272.15	$ 15,265.78	$ 1,773.71	$ 21,284.48	$ 3,045.86	$ 36,550.27
7G	V	0/1	364		$720,000	0.3426%	0.3067%	$ 327.25	$ 3,927.03	$ 456.28	$ 5,475.30	$ 783.53	$ 9,402.33
7H	V	0/1	476		$900,000	0.4481%	0.4010%	$ 427.85	$ 5,135.34	$ 596.67	$ 7,160.01	$ 1,024.51	$ 12,295.35
7J	V	0/1	466		$760,000	0.4387%	0.3926%	$ 418.85	$ 5,027.46	$ 584.13	$ 7,009.59	$ 1,003.09	$ 12,037.05
7K	V	0/1	445		$755,000	0.4189%	0.3749%	$ 400.07	$ 4,800.90	$ 557.81	$ 6,693.71	$ 957.88	$ 11,494.61
7L	V	0/1	504		$830,000	0.4744%	0.4246%	$ 453.12	$ 5,437.42	$ 631.77	$ 7,581.19	$ 1,084.88	$ 13,018.81
7M	V	0/1	493		$815,000	0.4641%	0.4153%	$ 443.23	$ 5,318.75	$ 617.98	$ 7,415.73	$ 1,061.21	$ 12,734.47
7N	V	0/1	490		$685,000	0.4613%	0.4129%	$ 440.53	$ 5,286.38	$ 614.22	$ 7,370.60	$ 1,054.75	$ 12,656.98
7O	V	0/1	453		$660,000	0.4264%	0.3816%	$ 407.27	$ 4,887.21	$ 567.84	$ 6,814.04	$ 975.10	$ 11,701.25
7P	V	1/1	729		$1,100,000	0.6862%	9.6142%	$ 655.40	$ 7,864.84	$ 913.90	$ 10,965.65	$ 1,569.21	$ 18,830.48
7R	V	0/1	506		$575,000	0.4763%	0.4263%	$ 454.92	$ 5,458.00	$ 634.27	$ 7,611.27	$ 1,089.19	$ 13,070.27
8A	V	1/1	642		$1,000,000	0.6232%	0.5377%	$ 595.17	$ 7,142.01	$ 829.83	$ 9,957.93	$ 1,424.99	$ 17,099.84
8B	V	1/1	998	-	$1,040,000	0.9571%	9.5881%	$ 827.53	$ 7,536.40	$ 874.95	$ 10,499.34	$ 1,502.48	$ 18,029.74
8C	V	1/1	542		$890,000	0.5102%	9.4566%	$ 487.29	$ 5,847.39	$ 679.40	$ 9,152.79	$ 1,166.69	$ 14,000.17
8D	RS	1/1	539		$965,000	0.5064%	0.4533%	$ 483.69	$ 5,804.23	$ 674.38	$ 9,092.62	$ 1,158.07	$ 13,896.85
8E	V	1/1	592		$1,060,000	0.5573%	0.4988%	$ 532.23	$ 6,386.81	$ 742.07	$ 9,904.89	$ 1,274.31	$ 15,291.70
8F	FM	0/1	379		$665,000	0.3556%	0.3185%	$ 339.84	$ 4,078.07	$ 473.82	$ 6,685.98	$ 813.66	$ 9,763.96
8G	V	0/1	364		$730,000	9.3426%	0.3067%	$ 327.25	$ 3,927.03	$ 456.28	$ 5,475.30	$ 783.53	$ 9,402.33
8H	V	0/1	476		$910,000	9.4481%	0.4010%	$ 427.85	$ 5,135.34	$ 596.67	$ 7,160.01	$ 1,024.51	$ 12,295.35
8J	V	0/1	466		$770,000	0.4387%	0.3926%	$ 418.85	$ 5,027.46	$ 584.13	$ 7,009.59	$ 1,003.09	$ 12,037.05
8K	V	0/1	445		$765,000	0.4189%	0.3749%	$ 400.07	$ 4,800.90	$ 557.81	$ 6,693.71	$ 957.88	$ 11,494.61
8L	V	0/1	504		$840,000	0.4744%	0.4246%	$ 453.12	$ 5,437.42	$ 631.77	$ 7,581.19	$ 1,084.88	$ 13,018.81
8M	V	0/1	493		$825,000	0.4641%	9.4153%	$ 443.23	$ 5,318.75	$ 617.98	$ 7,415.73	$ 1,061.21	$ 12,734.47
8N	V	0/1	490		$695,000	0.4613%	0.4129%	$ 440.53	$ 5,286.38	$ 614.22	$ 7,370.60	$ 1,054.75	$ 12,656.98
8O	V	0/1	453		$670,000	0.4264%	0.3816%	$ 407.27	$ 4,887.21	$ 567.84	$ 6,814.04	$ 975.10	$ 11,701.25
8P	V	1/1	729		$1,110,000	0.6862%	0.6142%	$ 655.40	$ 7,864.84	$ 913.90	$ 10,965.65	$ 1,569.21	$ 18,830.48
8R	RS	0/1	750		$1,160,000	0.7060%	0.6319%	$ 674.26	$ 8,091.10	$ 940.13	$ 11,281.53	$ 1,614.41	$ 18,372.93
9A	V	2/2.5	1199		$1,900,000	1.1287%	1.0101%	$ 1,077.85	$ 12,935.46	$ 1,502.85	$ 18,035.41	$ 2,580.91	$ 30,970.86
9B	V	1/1	507	62	$760,000	0.4919%	0.4402%	$ 469.75	$ 5,637.01	$ 654.96	$ 7,559.47	$ 1,124.71	$ 13,496.48
9C	V	1/1	669		$1,105,000	0.6298%	0.5636%	$ 601.46	$ 7,217.53	$ 838.59	$ 10,063.13	$ 1,440.05	$ 17,280.66
9D	V	2/2.5	1415		$2,270,000	1.3320%	1.1921%	$ 1,272.15	$ 15,265.78	$ 1,773.71	$ 21,284.48	$ 3,045.86	$ 36,550.27
9G	V	0/1	364		$740,000	0.3426%	9.3067%	$ 327.25	$ 3,927.03	$ 456.28	$ 5,475.30	$ 783.53	$ 9,402.33
9H	V	0/1	476		$920,000	0.4481%	9.4010%	$ 427.85	$ 5,135.34	$ 596.67	$ 7,160.01	$ 1,024.51	$ 12,295.35
9J	V	0/1	466		$780,000	0.4387%	0.3926%	$ 418.85	$ 5,027.46	$ 584.13	$ 7,009.59	$ 1,003.09	$ 12,037.05
9K	V	0/1	445		$775,000	0.4189%	0.3749%	$ 400.07	$ 4,800.90	$ 557.81	$ 6,693.71	$ 957.88	$ 11,494.61
9L	V	0/1	504		$850,000	0.4744%	0.4246%	$ 453.12	$ 5,437.42	$ 631.77	$ 7,581.19	$ 1,084.88	$ 13,018.81
9M	V	0/1	493		$835,000	0.4641%	0.4153%	$ 443.23	$ 5,318.75	$ 617.98	$ 7,415.73	$ 1,061.21	$ 12,734.47
9N	V	0/1	490		$705,000	0.4613%	0.4129%	$ 440.53	$ 5,286.38	$ 614.22	$ 7,370.60	$ 1,054.75	$ 12,656.98
9O	RS	0/1	453		$675,000	0.4264%	0.3816%	$ 407.27	$ 4,887.21	$ 567.84	$ 6,814.04	$ 975.10	$ 11,701.25
9P	RS	1/1	729		$1,150,000	0.6862%	0.6142%	$ 655.40	$ 7,864.84	$ 913.90	$ 10,965.65	$ 1,569.21	$ 18,830.48
9R	V	0/1	506		$585,000	0.4763%	0.4263%	$ 454.92	$ 5,458.00	$ 634.27	$ 7,611.27	$ 1,089.19	$ 13,070.27
10A	V	2/2.5	1199		$1,920,000	1.1287%	1.0101%	$ 1,077.85	$ 12,935.46	$ 1,502.85	$ 18,035.41	$ 2,580.91	$ 30,970.86
10B	V	1/1	507	62	$770,000	0.4919%	0.4402%	$ 469.75	$ 5,637.01	$ 654.96	$ 7,859.47	$ 1,124.71	$ 13,496.48
10C	V	1/1	669		$1,115,000	0.6298%	0.5636%	$ 601.46	$ 7,217.53	$ 838.59	$ 10,063.13	$ 1,440.05	$ 17,280.66
10D	V	2/2.5	1415		$2,290,000	1.3320%	1.1921%	$ 1,272.15	$ 15,265.78	$ 1,773.71	$ 21,284.48	$ 3,045.86	$ 36,550.27
10G	RS	0/1	364		$750,000	0.3426%	0.3067%	$ 327.25	$ 3,927.03	$ 456.28	$ 5,475.30	$ 783.53	$ 9,402.33
10H	V	0/1	476		$930,000	0.4481%	0.4010%	$ 427.85	$ 5,135.34	$ 596.67	$ 7,160.01	$ 1,024.51	$ 12,295.35

The accompanying notes should be read in conjunction with this schedule

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINIUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS BATHS	(2) APPROX UNIT SQUARE FOOTAGE	(2) APPROX TERRACE SQUARE FOOTAGE	(4) OFFERING PRICE	(5) RESIDENTIAL COMMON INTEREST	(6) COMMON INTEREST	(8) PROJECTED MONTHLY COMMON CHARGES	(9) PROJECTED ANNUAL COMMON CHARGES	(10) PROJECTED MONTHLY RE TAXES	(11) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
10J	V	0/1	466		$798,000	0.4387%	0.3926%	$ 418.65	$ 5,027.46	$ 584.13	$ 7,009.59	$ 1,003.09	$ 12,037.05
10K	V	0/1	445		$785,000	0.4189%	0.3749%	$ 400.07	$ 4,800.80	$ 557.91	$ 6,693.71	$ 957.88	$ 11,494.51

The accompanying notes should be read in conjunction with the schedule

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS	NO OF BATHS	(2) APPROX UNIT SQUARE FOOTAGE	(2a) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4) RESIDENTIAL COMMON INTEREST	(4) COMMON INTEREST	(5) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
10L	V	0/1	504		$800,000	0.4744%	0.4246%	$ 453.12	$ 5,437.42	$ 631.77	$ 7,581.19	$ 1,084.88	$ 13,018.61
10M	RS	0/1	493		$845,000	0.4641%	0.4153%	$ 443.23	$ 5,318.75	$ 617.98	$ 7,415.73	$ 1,061.21	$ 12,734.47
10N	V	0/1	490		$715,000	0.4613%	0.4128%	$ 440.53	$ 5,286.38	$ 614.22	$ 7,370.60	$ 1,054.75	$ 12,656.98
10O	V	0/1	453		$710,000	0.4264%	0.3816%	$ 407.27	$ 4,887.21	$ 567.84	$ 6,814.04	$ 975.10	$ 11,701.25
10P	V	1/1	729		$1,160,000	0.6862%	0.6142%	$ 655.40	$ 7,864.84	$ 913.80	$ 10,965.65	$ 1,569.21	$ 18,830.49
10R	V	0/1	506		$590,000	0.4763%	0.4263%	$ 454.82	$ 5,458.00	$ 634.27	$ 7,611.27	$ 1,089.19	$ 13,070.27
11A	V	2/2.5	1199		$1,940,000	1.1297%	1.0101%	$ 1,077.95	$ 12,935.46	$ 1,502.95	$ 18,035.41	$ 2,580.91	$ 30,970.80
11B	V	1/1	507	62	$780,000	0.4919%	0.4402%	$ 469.75	$ 5,637.01	$ 654.95	$ 7,858.47	$ 1,124.71	$ 13,496.49
11C	V	1/1	669		$1,125,000	0.6298%	0.5636%	$ 601.46	$ 7,217.53	$ 838.59	$ 10,063.13	$ 1,440.05	$ 17,280.66
11D	V	2/2.5	1415		$2,310,000	1.3320%	1.1921%	$ 1,272.15	$ 15,265.79	$ 1,773.71	$ 21,284.48	$ 3,045.86	$ 36,550.27
11G	V	0/1	364		$760,000	0.3426%	0.3067%	$ 327.25	$ 3,927.03	$ 456.28	$ 5,475.30	$ 783.53	$ 9,402.33
11H	V	0/1	476		$940,000	0.4481%	0.4010%	$ 427.95	$ 5,135.34	$ 596.67	$ 7,160.01	$ 1,024.61	$ 12,295.35
11J	V	0/1	466		$800,000	0.4387%	0.3926%	$ 418.95	$ 5,027.46	$ 584.13	$ 7,009.59	$ 1,003.09	$ 12,037.05
11K	V	0/1	445		$790,000	0.4189%	0.3749%	$ 400.07	$ 4,800.80	$ 557.81	$ 6,693.71	$ 957.88	$ 11,494.61
11L	V	0/1	504		$870,000	0.4744%	0.4246%	$ 453.12	$ 5,437.42	$ 631.77	$ 7,581.19	$ 1,084.88	$ 13,018.61
11M	V	0/1	493		$855,000	0.4641%	0.4153%	$ 443.23	$ 5,318.75	$ 617.98	$ 7,415.73	$ 1,061.21	$ 12,734.47
11N	V	0/1	490		$725,000	0.4613%	0.4128%	$ 440.53	$ 5,286.38	$ 614.22	$ 7,370.60	$ 1,054.75	$ 12,656.98
11O	V	0/1	453		$715,000	0.4264%	0.3816%	$ 407.27	$ 4,887.21	$ 567.84	$ 6,814.04	$ 975.10	$ 11,701.25
11P	RS	1/1	729		$1,170,000	0.6862%	0.6142%	$ 655.40	$ 7,864.84	$ 913.80	$ 10,965.65	$ 1,569.21	$ 18,830.49
11R	V	0/1	506		$595,000	0.4763%	0.4263%	$ 454.82	$ 5,458.00	$ 634.27	$ 7,611.27	$ 1,089.19	$ 13,070.27
12A	V	1/1	698		$1,035,000	0.6571%	0.5881%	$ 627.53	$ 7,530.40	$ 874.95	$ 10,499.34	$ 1,502.48	$ 18,029.74
12B	V	1/1	669	-	$1,080,000	0.6298%	0.5636%	$ 601.46	$ 7,217.53	$ 838.59	$ 10,063.13	$ 1,440.05	$ 17,280.66
12C	V	1/1	669		$1,135,000	0.6298%	0.5636%	$ 601.46	$ 7,217.53	$ 838.59	$ 10,063.13	$ 1,440.05	$ 17,280.66
12D	V	2/2.5	1415		$2,310,000	1.3320%	1.1921%	$ 1,272.15	$ 15,265.79	$ 1,773.71	$ 21,284.48	$ 3,045.86	$ 36,550.27
12G	V	0/1	364		$770,000	0.3426%	0.3067%	$ 327.25	$ 3,927.03	$ 456.28	$ 5,475.30	$ 783.53	$ 9,402.33
12H	V	0/1	476		$950,000	0.4481%	0.4010%	$ 427.95	$ 5,135.34	$ 596.67	$ 7,160.01	$ 1,024.61	$ 12,295.35
12J	V	0/1	466		$805,000	0.4387%	0.3926%	$ 418.95	$ 5,027.46	$ 584.13	$ 7,009.59	$ 1,003.09	$ 12,037.05
12K	V	0/1	445		$800,000	0.4189%	0.3749%	$ 400.07	$ 4,800.80	$ 557.81	$ 6,693.71	$ 957.88	$ 11,494.61
12L	V	0/1	504		$880,000	0.4744%	0.4246%	$ 453.12	$ 5,437.42	$ 631.77	$ 7,581.19	$ 1,084.88	$ 13,018.61
12M	V	0/1	493		$865,000	0.4641%	0.4153%	$ 443.23	$ 5,318.75	$ 617.98	$ 7,415.73	$ 1,061.21	$ 12,734.47
12N	V	0/1	490		$735,000	0.4613%	0.4128%	$ 440.53	$ 5,286.38	$ 614.22	$ 7,370.60	$ 1,054.75	$ 12,656.98
12O	V	0/1	453		$725,000	0.4264%	0.3816%	$ 407.27	$ 4,887.21	$ 567.84	$ 6,814.04	$ 975.10	$ 11,701.25
12P	V	1/1	729		$1,180,000	0.6862%	0.6142%	$ 655.40	$ 7,864.84	$ 913.80	$ 10,965.65	$ 1,569.21	$ 18,830.49
12R	RS	1/1	758		$1,510,000	0.7069%	0.6319%	$ 674.28	$ 8,091.40	$ 940.13	$ 11,281.53	$ 1,614.41	$ 19,372.93
PHA	RS	1/1	662	62	$1,330,000	0.6378%	0.5708%	$ 609.10	$ 7,309.23	$ 849.25	$ 10,190.98	$ 1,458.35	$ 17,500.22
PHB	RS	1/1	698	-	$1,400,000	0.6571%	0.5881%	$ 627.53	$ 7,530.40	$ 874.95	$ 10,499.34	$ 1,502.48	$ 18,029.74
PHC	RS	1/1	542		$1,065,000	0.5102%	0.4566%	$ 487.28	$ 5,847.39	$ 679.40	$ 8,152.79	$ 1,166.68	$ 14,000.17
PHD	V	2/2.5	1415		$2,355,000	1.3320%	1.1921%	$ 1,272.15	$ 15,265.78	$ 1,773.71	$ 21,284.48	$ 3,045.86	$ 36,550.27
PHG	V	0/1	364		$810,000	0.3426%	0.3067%	$ 327.25	$ 3,927.03	$ 456.28	$ 5,475.30	$ 783.53	$ 9,402.33
PHH	V	0/1	476		$1,010,000	0.4481%	0.4010%	$ 427.95	$ 5,135.34	$ 596.67	$ 7,160.01	$ 1,024.61	$ 12,295.35
PHJ	V	0/1	466		$845,000	0.4387%	0.3926%	$ 418.95	$ 5,027.46	$ 584.13	$ 7,009.59	$ 1,003.09	$ 12,037.05
PHK	V	0/1	445		$900,000	0.4189%	0.3749%	$ 400.07	$ 4,800.80	$ 557.81	$ 6,693.71	$ 957.88	$ 11,494.61
PHL	V	0/1	504		$1,000,000	0.4744%	0.4246%	$ 453.12	$ 5,437.42	$ 631.77	$ 7,581.19	$ 1,084.88	$ 13,018.61
PHM (D)	V	1/1	985		$1,950,000	0.9084%	0.8130%	$ 867.58	$ 10,410.94	$ 1,209.83	$ 14,515.57	$ 2,077.21	$ 24,926.51
PHN	V	0/1	490		$945,000	0.4613%	0.4128%	$ 440.53	$ 5,286.39	$ 614.22	$ 7,370.60	$ 1,054.75	$ 12,656.98
PHO	V	0/1	453		$910,000	0.4264%	0.3816%	$ 407.27	$ 4,887.21	$ 567.84	$ 6,814.04	$ 975.10	$ 11,701.25
PHP	V	1/1	729		$1,460,000	0.6862%	0.6142%	$ 655.48	$ 7,864.84	$ 913.80	$ 10,965.65	$ 1,569.21	$ 18,830.49
PHR (D)	V	1/1	944		$1,890,000	0.8886%	0.7953%	$ 848.70	$ 10,184.38	$ 1,183.31	$ 14,198.69	$ 2,032.01	$ 24,384.08
RES TOTAL				106,039	769	$ 176,797,000	100.8600%	89.4982%	$ 85,506.42	$1,146,077.00	$ 135,190.92	$1,697,831.80	$ 228,687.33	$2,744,008.00
COMMERCIAL				11,813				10.5018%	$ 1,494.97	$ 17,936.00	$ 4,176.60	$ 50,119.00	$ 5,671.25	$ 68,055.00
GRAND TOTAL				117,852	769	$ 176,797,000	100.0000%	100.0000%	$ 97,001.09	$1,164,013.09	$ 137,337.60	$ 1,648,050.00	$ 234,338.58	$ 2,812,063.80

The Symbol used in the Schedule A have the following meaning
RM denotes Resident Manager's Unit
D denotes Duplex
FM denotes Fair Market
RS denotes Rent Stabilized
V denotes Vacant

The accompanying notes should be read in conjunction with this schedule

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINIUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS BATHS	(13) APPROX UNIT SQUARE FOOTAGE	(14) APPROX TERRACE SQUARE FOOTAGE	(15) OFFERING PRICE	(16) RESIDENTIAL COMMON INTEREST	(16) COMMON INTEREST	(18) PROJECTED MONTHLY COMMON CHARGES	(19) PROJECTED ANNUAL COMMON CHARGES	(20) PROJECTED MONTHLY RE TAXES	(21) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES

NOTE: Since the Resident Manager's Unit, RM, is a General Common Element for budget purposes, General Common Expenses will be apportioned to the Units based on the Percentage of Common Interest

The accompanying notes should be read in conjunction with the schedule

EXHIBIT "C"

ESCROW AGREEMENT

ESCROW AGREEMENT FOR OFFERING PLAN

AGREEMENT made this 25th day of February, 2008, between 254 PAS Property LLC ("SPONSOR"), as sponsor of the Offering Plan (defined below) and Dewey & LeBoeuf LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the sponsor of an offering plan for premises known as 254 Park Avenue South, New York, New York (the "Offering Plan"); and

WHEREAS, Dewey & LeBoeuf LLP is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers or 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:

A ESTABLISHMENT OF THE ESCROW ACCOUNT.

a. ESCROW AGENT has established a master escrow account for the purpose of holding deposits, down payments, advances or payments ("Deposits") made by purchasers or subscribers ("Purchasers") pursuant to the Offering Plan at Citibank, N. A., at its branch located at 666 Fifth Avenue, New York, New York 10103 entitled Dewey & LeBoeuf LLP, Escrow Account No. _____ (the "Master Escrow Account").

b. All Deposits will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. At such time as ESCROW AGENT receives a completed and signed Form W-9 (Request for Taxpayer Identification Number) or Form W-8 (Certificate of Foreign Status), as applicable, from a Purchaser, the Deposit of such Purchaser will be promptly transferred from the non-interest bearing checking portion of the Master Escrow Account into an individual interest bearing sub-escrow savings account in the name of such Purchaser. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon.

c. Partners or attorneys employed by ESCROW AGENT are the sole signatories on the Master Escrow Account.

d. The Master Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

e. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Contract of Sale (defined below), or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to SPONSOR only in the event Purchaser defaults.

B DEPOSITS INTO THE ESCROW ACCOUNT.

a. All funds received from Purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the Master Escrow Account. All instruments to be deposited into the Master Escrow Account shall be made payable directly to the order of "Dewey & LeBoeuf LLP, as Escrow Agent". Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited into the Master Escrow Account, shall be returned to the Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

b. Within ten (10) business days after tender of the Deposit submitted with the purchase agreement or subscription agreement ("Contract of Sale"), ESCROW AGENT shall notify the Purchaser of the deposit of such funds in the Master Escrow Account, 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 Contract of Sale 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 Deposit was timely deposited in accordance with the Attorney General's regulations and requisite notice was timely mailed to the Purchaser.

C RELEASE OF FUNDS.

a. Consummation of the Offering Plan does not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

b. ESCROW AGENT shall continue to hold the Deposit 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.

c. SPONSOR shall not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Deposit to: (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan, or (b) all Purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

d. In the event SPONSOR and a Purchaser close title under the Contract of Sale, ESCROW AGENT shall be entitled to release the Deposit to SPONSOR without the need for a written agreement from Purchaser.

e. Except as otherwise set forth above, if there is no written agreement between the parties to release the Deposit, 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 Deposit 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 ESCROW AGENT has received notice from the Purchaser in accordance with such provisions.

D RECORDKEEPING.

a. ESCROW AGENT shall maintain all records concerning the Master Escrow Account for seven years after release of the funds.

b. Upon the dissolution of ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

c. ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

E GENERAL OBLIGATIONS OF ESCROW AGENT.

a. ESCROW AGENT shall maintain the Master Escrow Account under its direct supervision and control.

b. A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

c. ESCROW AGENT shall not be liable to SPONSOR for any error in judgment, mistake of fact or law or for any act or omission on ESCROW AGENT'S part, including, without limitation, any act or omission which permits a Purchaser to rescind a Contract of Sale, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of ESCROW AGENT.

d. ESCROW AGENT shall be permitted to act as counsel for SPONSOR in any dispute as to the disbursement of the Deposit or any other dispute between SPONSOR and a Purchaser whether or not ESCROW AGENT is in possession of the Deposit and continues to act as ESCROW AGENT.

e. ESCROW AGENT may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

f. ESCROW AGENT may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to ESCROW AGENT in respect of any action taken or omitted in good faith by ESCROW AGENT hereunder in accordance with the opinion of such counsel.

F RESPONSIBILITIES OF SPONSOR.

a. SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver all Deposits received by them prior to closing of an individual transaction to a designated attorney who is a member of or employed by ESCROW AGENT within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by ESCROW AGENT from time to time.

b. SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

c. SPONSOR shall obtain or cause the selling agent under the Offering Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from each Purchaser and deliver such form to ESCROW AGENT together with the Deposit and Contract of Sale.

G TERMINATION OF AGREEMENT.

a. This Agreement shall remain in effect unless and until it is canceled 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 to the Offering Plan 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. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Master Escrow Account on the date of such resignation; or

(c) all shares or units offered by SPONSOR pursuant to the Offering Plan have been sold and no Deposits of Purchasers from SPONSOR remain in the Master Escrow Account.

b. Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1(a) or (b) above, ESCROW AGENT shall deliver any and all funds held by ESCROW AGENT in escrow and any and all contracts or documents maintained by ESCROW AGENT relating to such funds to the new escrow agent.

H SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their respective successors and assigns.

I GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

J ESCROW AGENT'S COMPENSATION.

SPONSOR agrees to pay ESCROW AGENT for services rendered by its attorneys and paralegals and expenses incurred by ESCROW AGENT in connection with this Agreement, including, without limitation, disputes arising with respect to the Deposit. SPONSOR shall not be charged with any administrative costs for maintenance of the Master Escrow Account. ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

K SEVERABILITY.

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.

L INDEMNIFICATION.

SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself

M ENTIRE AGREEMENT.

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: Dewey & LeBoeuf LLP

By: _____
Name: Stuart M. Saft
Title: Partner

SPONSOR: 254 PAS Property LLC
By: 254 PAS Mezz LLC
By: RPS 254 Manager LLC

By: _____
Name: Jack Rosen
Title: Authorized Representative

254 PAS Property LLC
By: 254 PAS Mezz LLC
By: PAS 4 Manager LLC

By: _____
Name: Hymie Mamiye
Title: Authorized Representative

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT: Dewey & LeBoeuf LLP

By: _____
Name:
Title: Partner

SPONSOR: 254 PAS Property LLC
By: 254 PAS Mezz LLC
By: RPS 254 Manager LLC

By: _____
Name: Jack Rosen
Title: Authorized Representative

254 PAS Property LLC
By: 254 PAS Mezz LLC
By: PAS 4 Manager LLC

By: _____
Name: Hymie Mamiye
Title: Authorized Representative

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PART I

SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS

1. The purchase of a condominium unit has many significant legal and financial consequences and may be one of the most important financial transactions that you may enter into. The Attorney General of the State of New York strongly urges you to read this offering plan carefully and to consult with an attorney before signing an agreement to purchase a condominium unit.

2. At the time a Purchase Agreement is executed, a Purchaser is required to make a down payment in an amount equal to at least ten (10%) percent of the purchase price. In the event a Purchaser defaults under his or her Purchase Agreement, time being of the essence with regard to the obligations of the Purchaser thereunder, and does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, cancel such Purchase Agreement and retain, as liquidated damages, the entire down payment made by the Purchaser together with interest earned thereon, if any. Additionally, if a Purchaser fails for any reason to close title to his or her Residential Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's Purchase Agreement as a result of the same, (a) the closing apportionments to be made at the Closing will be made as of midnight of the date preceding the originally scheduled Closing Date, and (b) the Purchaser will be required to pay to Sponsor an amount equal to 0.03% of the purchase price of his or her Residential Unit for each day that the Closing is adjourned. Purchasers are further advised that if a Purchaser makes a Down Payment in excess of $100,000 for the purchase of a unit, such Down Payment will not be federally insured in excess of $100,000; and (ii) while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured even if the Down Payment does not exceed $100,000. Funds drawn on out-of-state or foreign banks will not be accepted as payment of the purchase for a Residential Unit unless otherwise agreed by Sponsor. (See the Section entitled "Procedure to Purchase" for the further discussion of the foregoing.)

3. Although a Purchaser may obtain financing from a lending institution or any other source, his or her obligation to purchase a Residential Unit pursuant to his or her Purchase Agreement shall not be contingent on obtaining financing for such purchase. Neither Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to pre-qualify for financing with their lender before signing a Purchase Agreement. However, prospective 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. (See the Section entitled "Procedure to Purchase" for further details.)

4. Prior to the closing of title to a Unit, Purchasers are expressly prohibited from advertising, listing the Unit with a broker or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease ("Advertising Activities") without Sponsor's prior consent. If any Purchaser engages in any of the foregoing Advertising Activities, it shall be considered an event of default under the terms of the Purchase Agreement, thereby entitling Sponsor any and all remedies under the terms of the Purchase Agreement. Purchasers are referred to the Purchase Agreement set forth in Part II of the Plan for further details.

5. Sponsor as the owner of Unsold Units will have voting control of the Condominium Board and the Residential Board during the period which continues until the carlier to occur of: (i) the sale by the Sponsor of more than fifty (50%) percent of the aggregate Common Interests Units or (ii) five (5) years after the First Closing (the "Sponsor Control Pcriod"). Thereafter, Sponsor will continue to have the right to vote its interest in the Unsold Residential Units in all elections. During the period that Sponsor controls the Condominium Board or the Residential Board, Sponsor will have control of maintenance, facilities and services to be provided to Unit Owners and will determine the Residential Common Charges to be paid by all Residential Owners.

6. Sponsor and its designees may exercise veto power over some actions of the Condominium Board and the Residential Board. Sponsor may not exercise veto power over expenses in Schedule B, or expenses required to comply with applicable laws or regulations, or expenses required to remedy any notice of violation, or to remedy any work ordered by an insurer. Until Sponsor and its designees have conveyed title to seventy-five (75%) percent of all of the Residential Units, but in no event later than five (5) years after the closing of the first Residential Unit, the Condominium Board or the Residential Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Residential Unit, or (b) assess any General Common Charges or Residential Common Charges for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Condominium or the Residential Section, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board or the Residential Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium (see the Section entitled "Control By Sponsor" for further details).

7. No amendment, modification, addition or deletion of the Declaration, By-Laws or Rules and Regulations shall be effective in any way, (a) without the prior written consent of the affected Commercial Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Commercial Unit Owner or (b) without the prior written consent of Sponsor or its designee or the owner of any Unsold Residential Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Residential Unit, as the case may be, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Residential

Unit, as the case may be. (See the Section entitled "Rights and Obligations of Unit Owners and the Boards of Managers".)

8. Each Purchaser will be obligated to enter into a power of attorney at the closing of title to the Unit. The form of power of attorney, set forth in Part II of the Plan, grants broad powers to the Condominium Board and the Residential Board to enter into agreements affecting the General Common Elements and Residential Common Elements, as the case may be. The power of attorney also grants to Sponsor the right to amend the Condominium Declaration with respect to any Unsold Residential Unit and the Commercial Unit. Please refer to the form of power of attorney set forth in its entirety in Part II of the Plan.

9. In accordance with the provisions of 13 NYCRR 23.7(ac), Sponsor has engaged a qualified firm to perform such tests as are necessary to determine whether asbestos containing material ("ACM") is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM in the Building (the "Asbestos Report"). A copy of the Asbestos Report is set forth in Part II of this Plan. The Asbestos Report provides that (i) no friable asbestos was found in the building during the survey and (ii) non-friable asbestos was found in the form of roofing materials, which were found to be in good to fair condition. The Asbestos Report provides that these materials do not have to be removed immediately, however, in the event these materials were to be removed, the cost would be approximately between $60,000 and $75,000. Sponsor's obligations under this Plan do not include an obligation to remove any asbestos identified in the Asbestos Report and Sponsor does not intend to perform any such remedial work.

10. A law enacted by the New York City Council provides a formula for determining the amount of the Reserve Fund. Such fund shall be established in an amount equal to either (i) three per cent of the total price or, (ii) (A) three per cent of the actual sales price of all condominium apartments sold by the Sponsor at the time the plan is declared effective, provided, however, that if such amount is less than 1% of the total price, then the fund shall be established as a minimum of one per cent of the total price; plus (B) supplemental contributions to be made by the Sponsor at a rate of 3% of the actual sales price of condominium Apartments for each Apartment and sold to bona fide purchasers subsequent to the effective date of the plan and within 5 years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed 3% of the total price; and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than 3% of the total price the offeror shall pay the difference between the amount contributed and 3% of the total price. Supplemental contributions shall be made within 30 days of each sale. The exact amount of the Reserve Fund cannot be ascertained until the Plan is declared effective. Sponsor reserves the right to take a credit against the Reserve Fund for qualifying work performed in the Building, provided that any such qualifying work must be performed before the Effective Date. A description of the qualifying work which Sponsor intends to perform will be disclosed in a duly filed amendment to the Plan. No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of capital items likely to be needed. Moreover, if Sponsor elects to fund the Reserve Fund through supplemental contributions, there may not be a sufficient amount in the Reserve Fund at the time repairs are deemed necessary or appropriate and, if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges

or levy a special Assessment against the Unit Owners or Sponsor may elect to advance its contributions to the Reserve Fund and take a credit against future supplemental contributions. In addition, at Closing, Sponsor will collect from each Purchaser of a Unit, on behalf of the Condominium Board, an amount equal to one (1) month's Common Charges to create a Working Capital Fund. Sponsor does not intend to contribute to the Working Capital Fund, but as indicated herein, Sponsor will contribute three (3%) percent of the Purchase Price of each Unit to the Condominium's Reserve Fund. The Working Capital Fund may be expended for any purpose, including the reduction of Common Charges, during any period, including the period that Sponsor controls the Condominium Board (see the Section entitled "Control By Sponsor"). See the Sections of this Plan entitled "Reserve Fund" and "Working Capital Fund and Apportionments" which may be found in Part I of this Plan and the Reserve Fund Law (Local Law 70) which may be found in Part II of this Plan for more details.

11. The real estate tax estimates for each Residential Unit were calculated on the assumption that the real estate taxes for the residential portion of the Building payable with respect to each Residential Unit for the first year of Condominium operation will be allocated based on each unit's proportionate share of total offering price, or 'proportionate valuation.' Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Unit's purchase price or imputed market value rather than its percentage interest in the Common Elements. Residential Units having the same percentage interest may pay different real estate taxes. The Plan describes certain real estate tax benefits. There is no certainty that the real estate tax benefits described in this Plan will be obtained or, if obtained, will be at the level projected or last as long as projected. No representation or warranty is being made with regard to such benefits other than that Sponsor will seek to obtain them. Please refer to the Section of the Plan entitled "Real Estate Taxes" in Part I of the Plan for further details.

12. In accordance with the terms of this Plan, Sponsor has the right, following the expiration of the Exclusive Purchase Period, to sell occupied Residential Units to one or more non-occupant purchasers for investment or resale, or to lease unoccupied Residential Units to others or to retain vacated Residential Units for future rental. Accordingly, it is possible that a significant proportion of Unit Owners will not be residents of the Building and that a significant portion of tenants in the Building may not be Unit Owners. As a consequence, a Unit Owner seeking to resell or refinance a Residential Unit may experience difficulty. Any such sales are subject to the rights, if any, of Non-Purchasing Tenants, to continued occupancy under applicable Rent Laws and to purchase their Residential Units during a subsequent exclusive purchase period which occurs prior to the Effective Date. Sponsor has further reserved the right to rent or lease any Residential Unit prior to closing the sale thereof to the Purchaser thereof or any other party and to cease marketing Residential Units for sale at any time. Accordingly residents of the Condominium may be comprised of Unit Owners, Non-Purchasing Tenants and tenants leasing from Sponsor or other Unit Owners after the Property is submitted to a Condominium regime. Occupants who are not Unit Owners have no investment in their Residential Units and, therefore, do not share the same economic interests as Unit Owners in the maintenance and care of the Building's facilities and amenities. Individuals leasing Residential Units from Sponsor will not, except as expressly provided in their respective leases, have any special rights to purchase such Residential Units. However, any lease for a Residential Unit entered into with a Purchaser, other than a Tenant Purchaser, will provide among other things,

that an uncured default by the Purchaser under the Purchase Agreement with respect to the Residential Unit which is the subject of the lease will constitute a default under the lease entitling Sponsor, at its sole option, on behalf of itself and the Condominium, to terminate such lease in accordance with applicable Law. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any lease with respect to the Residential Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, on behalf of itself and the Condominium, to terminate such Purchase Agreement and to exercise any remedies therein provided. Individuals who rent vacant Unsold Residential Units from Sponsor are not Tenant Purchasers under the Plan and shall have no rights to purchase thereunder. Purchasers or any other persons entering into a lease or use and occupancy agreement for a Residential Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the lease or use and occupancy agreement. All other charges or other fees due under a lease or use and occupancy agreement shall be adjusted as of the Closing to the Residential Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any lease or use and occupancy agreement. (See the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan).

13. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (such as 35% or 50%) of the Residential Units in a building be sold before the lender will consider making a loan. Thus it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the percentage of Residential Units purchased is lower than a lender's particular sales minimum. Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell a Residential Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

14. Sponsor reserves the right to sell ten or more Residential Units as more fully described in the "Introduction" of the Plan and to designate the purchaser of such blocks of Units as "sponsor" under this Plan and the Declaration. The party so designated as a "sponsor" will have those additional rights and obligations of a "sponsor" as more fully described in the Plan. Pursuant to the Declaration and By-Laws, the Residential Units may be used for residential purposes or any other lawful purposes subject to conditions set forth in the Declaration and the By-Laws.

15. No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, special assessments and real estate taxes with respect to Unsold Residential Units. Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Residential Units. Please refer to the Section of the Plan entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further details.

16. The exterior surface of all windows in the Residential Section, if so determined by the Residential Board, shall be washed and cleaned by the Residential Board and the cost and expense thereof shall be a Residential Common Expense. Otherwise, the exterior of all windows in the Residential Section shall be washed or cleaned at the cost and expense of the Residential Unit Owner. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Retail Unit shall be washed and cleaned at the sole

discretion of the Retail Unit Owner or occupant thereof at such Unit Owner's sole cost and expense. Please refer to the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Boards of Managers" under the subsection entitled "Repairs to and Maintenance of Units and Common Elements" in Part I of the Plan for further details.

17. Purchasers shall be obligated to pay the NYC Real Property Transfer Tax and NYS Real Property Transfer Tax (Deed Stamps) which by law are the primary obligation of the Seller. If the purchase price of the Residential Unit is $1,000,000 or more, Purchaser shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax", currently one (1%) percent of the purchase price, which by law is the primary obligation of the Purchaser. For purposes of calculating the taxes payable, the amounts of such taxes (other than the Mansion Tax) will be included in the consideration subject to such tax. Regarding the Mansion Tax, purchase price and transfer taxes payable by purchaser are added together by NYS Department to arrive at total consideration. Therefore, a residential unit priced at $985,000, where purchaser pays transfer tax, would subject purchaser to liability for Mansion Tax as the aggregate of price plus tax would exceed $1,000,000. (See the Section entitled "Closing Costs and Adjustments" for further details).

18. Sponsor will endeavor in good faith to sell all of the Residential Units in a reasonably timely manner; however, there is no certainty as to the period of time required to sell all of the Residential Units. However, under the terms of this Plan, Sponsor may, if the fair market value of the Residential Units falls below (10%) percent of the prices of the Units used to declare the Plan effective, decide to rent certain Residential Units from time to time, and until such time as the Residential Units can be sold on terms acceptable to Sponsor. However, so long as Sponsor is able to achieve the purchase prices listed on Schedule A as of the date the Plan is declared effective, the Sponsor is committed to selling Residential Units which represent a majority of the Common Interest in the aggregate. As a consequence of the foregoing, residents of the Condominium may be comprised of both Residential Unit Owners and tenants leasing from Sponsor or other Residential Unit Owners. Accordingly, it is possible that a significant proportion of Residential Unit owners will not be residents of the Building and that a significant portion of tenants in the Building may not be Residential Unit Owners, and a Residential Unit Owner seeking to resell or refinance a Residential Unit may experience difficulty. Because 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 percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. However, it is likely that the Residential Unit Owners will obtain control of the Condominium Board at the expiration of the Initial Control Period (as such term is defined in the Condominium By-Laws). Sponsor's construction financing does not contain a minimum number of units to be sold before the Plan can be declared effective or provisions relating to the renting of Units. See Section of the Plan entitled "Rights and Obligations of Sponsor" for further detail.

19. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, LeBoeuf, Lamb, Greene & MacRae LLP, in connection with the closing of title to Purchaser's Unit: (i) the sum of $1,750 to reimburse Sponsor for its legal fees in handling the closing, (ii) if the Purchaser requests the Closing to occur other than at the offices of LeBoeuf, Lamb, Greene & MacRae LLP or such other place as

Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of $500 for each Closing held within Manhattan and $750 for each Closing held in any borough outside Manhattan and (iii) 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 or for the postponement of a Closing, Purchaser shall pay a fee of $350 to Sponsor's attorneys. Please refer to the Section of the Plan entitled "Closing Costs and Adjustments" for further details.

20. The Residential Units are being sold "as is" in the condition in which they exist at the time a purchaser signs a Purchase Agreement subject to ordinary wear and tear. Except as described in the "Description of Property" Sponsor makes no representations or guaranties regarding the condition of the Property and has no specific knowledge about problems with or needed repairs to the Building. However, the Building was constructed in the 1920s and converted to a residential apartment building in 1979, and, as all prudent property owners are aware, a program of ongoing maintenance is typically required to insure the integrity of a building. Under the terms of Local Law 11 of 1998, property owners are obligated to have the facades of their buildings periodically inspected and perform remedial work as determined by the licensed engineer performing the required inspections. Sponsor makes no representations regarding future expenditures which may be required to comply with Local Law 11 or the costs of the inspections therefore. A copy of the most recent Local Law 11 Inspection Report is set forth in Part II of the Plan.

21. It is the responsibility of each Residential Unit Owner to notify the Managing Agent in writing when a child or children under the age of ten (10) years lives or resides (even temporarily) in the Residential Unit. It is the responsibility of each Residential Unit Owner to install, at such Residential Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall maintain all window guards installed in the Residential Unit and shall not remove same until permitted by applicable Law and in any event, without full knowledge of the Managing Agent. In addition, Residential Unit Owners shall be deemed "owners" of their respective Residential Units with the obligation to comply with the requirements of Local Law 1 of 2004 regarding lead-based paint.

22. Sponsor's offer to sell the Units under this Plan is contingent upon the Plan being declared effective pursuant to Section 23.3(s) of Title 13 NYCRR (i.e., purchase agreements signed by bona fide purchasers for 15% of the Units offered under the Plan). Purchasers should note that Sponsor may declare the Plan effective after entering into Purchase Agreements for a minimum of fifteen (15%) percent of the Units offered for sale in the Building. Even if the Plan is declared effective with a minimum number of Purchase Agreements, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey Units with fewer than a minimum number of Purchase Agreements if purchasers counted towards effectiveness do not ultimately purchase a Unit. Please refer to the Section entitled "Effective Date" in Part I of the Plan for further details.

23. While Unsold Residential Units are being offered for sale or lease by Sponsor or its designees there will be a greater number of visitors to the Building than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Subject to applicable law to the contrary, neither

Sponsor or its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Building's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages. No representation or warranty is made and no assurance is given that the security systems and procedures of the Condominium will prevent personal injury or damage to or loss of personal property.

24. Sponsor shall not be obligated to correct, repair, or replace any and all defects relating to construction of the Residential Units, the Commercial Unit, the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements.

25. In order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of any Board, Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing one or more such Units into two or more separate Unsold Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering the boundary walls between one or more Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Residential Unit in such Unsold Residential Unit, (c) designate a Residential Common Element as part of a newly created Residential Unit or Commercial Unit or designate all or part of a Residential Unit as a newly created Commercial Unit, Residential Common Element, Commercial Common Element or Commercial Limited Common Element and (d) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests; provided, however, that Sponsor may not make any alteration or change to Units occupied by Non-Purchasing Tenants, including those Non-Purchasing Tenants protected under the Rent Laws. Please see the Section of the Plan entitled "Changes in Prices and Units" for further details.

26. The Commercial Unit may be used for any commercial purpose that is legal and in compliance with any restrictive covenant on the Property. The Commercial Unit Owners have the right to freely sell the Commercial Unit, or to freely lease all or part of the Commercial Unit, as the case may be, without having to first offer the same for sale or lease to any Board.

27. The Residential Unit Owners may not have control over the uses of the Commercial Unit except as restricted by the Zoning Resolution of the City of New York and the Declaration and By-Laws. The Commercial Unit Owners each have certain special rights under the Declaration including the right to subdivide their respective Units and to use same for any lawful purpose. Applicable zoning permits a broad range of uses of such space, including, by way of example only and not by way of limitation, community facility use, retail use, use as an eating and/or drinking establishment and use for service establishments. Certain of such uses

may result in increased traffic, noise and odors. Sponsor makes no representation as to what the actual use of either the Commercial Unit will be at any time.

28. The Commercial Unit Owners will each be obligated to pay only those Common Expenses that are fairly attributable to their respective Units. Accordingly the Commercial Unit will pay, based on the respective Common Interests of such Units their share of the Common Expenses for the budget items for Insurance, Legal and Accounting, Fuel, Management Fee, Exterminator, Repairs and Maintenance to the General Common Elements, Administration and Contingency. In the event that the use of a Commercial Unit causes an increase in insurance premiums, such increase will be paid by all Unit Owners. The Commercial Unit Owners will not bear any Common Expenses attributable to the budget items for most of the payroll, electricity, supplies and other expenses related to the Resident Manager's Apartments, staff uniforms and repairs and maintenance to the Residential Common Elements. The Common Expenses for Supplies and certain Service Contracts have also been allocated based on anticipated use of the items comprising Supplies and of the particular service covered by such service contract. See "Schedule B – Budget for First Year of Condominium Operation" for details.

29. At or after the First Closing, Sponsor will sell one Unit, presently Unit 2N to the Condominium, which will own such Unit on behalf of all Unit Owners and will use the same for the residence of the Resident Manager ("Resident Manager's Unit"). The purchase price for the Resident Manager's Unit, which is currently anticipated to be Unit 2N will be $421,200. In no event will the Resident Manager's Units be sold for an amount exceeding that specified in the then current Schedule A. One hundred percent (100%) of the purchase price will be financed through either an institutional lender or the Sponsor with interest at 8% per annum and a maturity date at least 5 years after the Closing. The Sponsor shall have the right to substitute a different Unit. (See the Section of the Plan entitled "Schedule B - First Year's Budget" for further details.)

30. The Sponsor anticipates that the Condominium will not qualify as a homeowners association. The present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of the Condominium's income in excess of expenses related to such income is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Schedule B, Budget for the First Year of Condominium Operation, does not contemplate any income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership income. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by regulations relating to entity classification, which were adopted by the United States Treasury Department on December 17, 1996. Please refer to the Attorney's Income Tax Opinion and the Section entitled "Taxes–Deductions to Residential Unit Owners and Tax Status of Condominium" in Part I of the Plan for further discussion.

31. Purchasers should note that the insurance coverage maintained on behalf of the Condominium does not cover the individual Units or any property contained in a Unit (including without limits, windows facing into each Unit which comprise part of the Unit). Purchaser should refer to the Declaration in Part II of the Plan for a description of the Units. Pursuant to

the By-Laws, each Unit Owners will, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) commercial personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any Limited Common Element appurtenant thereto or any part thereof, with minimum combined single limits of liability of $1,000,000 for bodily injury or death arising out of any one occurrence including $1,000,000 for damage to property plus at least $5,000,000 umbrella liability coverage and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the Unit or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage as well as personal property). The limits of liability other requirements relative to the Unit Owner's insurance coverage may be modified by the Condominium Board from time to time. The policies shall provide that they cannot be canceled without at least thirty (30) days prior notice to the Condominium Board. The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. In the event a Unit Owner fails to obtain the requisite insurance or deliver evidence of same to the Condominium Board, as required, the Condominium Board may, in its sole and absolute discretion, (i) obtain such insurance on behalf of said defaulting Unit Owner or (ii) impose such fines and penalties as the Condominium Board may determine in its sole discretion, including, without limitation, a per diem penalty for each day that the Unit Owner does not provide evidence of coverage and in either event such sums shall, for all purposes, constitute Common Charges payable by such Unit Owner. Sponsor will maintain commercially reasonable insurance coverage for each of the Units Sponsor owns after Closing.

32. The By-Laws provide that each Unit and all portions of the Common Elements will be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water which will cause damage to the Building) by the Unit Owner or the Condominium Board, whichever is responsible for the Maintenance thereof. In the event a Unit Owner fails to keep such Unit Owner's Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default. (See the subsection entitled "Rights of Access"). Each Unit Owner will be obligated to maintain the appropriate temperature and humidity in such Unit Owner's Unit in order to avoid causing damage to the Common Elements or the Units. In the event a Unit Owner that fails to so maintain the Unit, such Unit Owner may be liable for any damage arising from such failure, including, without limitation, any claims pertaining to environmental hazards such as mold or other bacterial contamination.

33. The Contingency provided for in the Projected Budget for the First Year of Condominium Operation (Schedule B) is intended to provide a fund for unanticipated expenses not included in the budgets and for increases in operating expenses above the amounts projected. No other reserve fund for capital expenditures has been established. The Contingency is not intended and may not be sufficient to meet the cost of any major capital repairs or replacements which may be required. If funds are required to meet such costs, it may be necessary to increase Common Charges or institute a special assessment. See the Section of the Plan entitled "Working Capital Fund" for further discussion.

34. The sale or lease of Residential Units are subject to a right of first refusal by the Residential Board. Leases may not be for terms shorter than one year. The Residential Board

has the right to reject sales to purchasers who themselves (or residents of their Units) have diplomatic immunity or have been convicted of violent crimes or child molestation without being required to exercise the right of first refusal. The foregoing could affect the sale or lease of Units.

35. At or after the closing of title to a Unit, Sponsor shall execute and deliver a bargain and sale deed without covenants against grantor's acts conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances. The form of deed is set forth in Part II of the Plan.

36. Cooling towers and other mechanical equipment necessary for the maintenance and operation of the Building and the Units are located on the roof and in the basement. The Condominium Board with respect to the Common Elements, the Residential Board with respect to the Residential Common Elements and Residential Limited Common Elements and the Non-Residential Board with respect to the Non-Residential Common Elements and Non-Residential Limited Common Elements will be responsible for ensuring that the mechanical equipment is operated in accordance with Law, including requirements governing acceptable levels of noise and odor emissions. Sponsor is not responsible for, nor can Sponsor make any guarantees regarding the level or noise or odors resulting from the operation of the Building or the Units.

37. No representation or warranty is made and no assurance is given that the security systems and procedures of the Residential Section and of the Condominium will prevent personal injury or damage to or loss of personal property.

38. Changes in zoning or construction of new buildings within the vicinity of the Property could affect existing views. No assurance can be given that the views currently existing (or existing when Purchaser first purchases or occupies the Unit) will continue to exist unchanged.

39. The Terraces appurtenant to Residential Unit 1R, 1P, 2A, 3A, 4A, 5A, 6A, 7A, 8A, 9A, 10A, 11A, 12A and PHA, is a Residential Limited Common Element available for the exclusive use of the Residential Unit Owner of such Residential Unit. Subject to the right of the Residential Board to regulate its use and to use it for making repairs to the exterior of the Building, such Residential Unit Owner shall be responsible for all normal maintenance, repairs and replacements thereto. However, the costs and expenses of any structural repairs or repairs or replacements caused by the need for such structural repairs to the Terrace, shall be charged to all Residential Unit Owners as a Residential Common Expense (unless the need for the repair is caused by its Residential Unit Owner.)

40. All determinations with respect to the continuance of any of the services in the Building, if initially made available, will be made by the Residential Board, which will be controlled by Sponsor for so long as the Units owned by Sponsor have appurtenant thereto a majority of the Common Interests of the Condominium. Please refer to the Description of the Property set forth in its entirety in Part II of the Plan for further details regarding services and facilities at the Property. Neither Sponsor, the Managing Agent nor the Boards will in any event be liable for the availability, interruption, discontinuance or quality of any services in the Building, 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, except to the extent that any such injury to person or damage to property occurs as a result of the negligence of Sponsor, the Managing Agent or any of the Boards, as the case may be.

41. The approximate indoor floor area of each Unit has been measured from the exterior side of the glass or the exterior Building walls, or from the midpoint of the interior walls and partitions, separating the Unit from another Unit, public corridor, stairs, elevators, other mechanical equipment spaces or any other Common Elements. Dimensions measured from exterior walls may not accurately represent the interior space in the Unit and may exaggerate such interior space by as much as ten (10%) percent.

42. Time is of the essence to Purchaser as to Purchaser's obligations pursuant to the Purchase Agreement, including, without limitation, for the payment of the balance of the Purchase Price. Funds drawn on out-of-state or foreign banks will not be accepted in payment of the Purchase Price for a Residential Unit unless otherwise agreed by Sponsor. Please refer to the Section of the Plan entitled "Procedure to Purchase" in Part I of the Plan for further details.

43. The Roof Unit includes the entire roof other than the portion of the roof on which the Building's mechanical and other equipment sits as well as the Building's Excess Development Rights. Although there are no current plans to build on the Roof, the Owner of the Roof Unit will have the right to do so without interference from the Condominium Board, Residential Board or Commercial Board provided the owner of the Roof Unit indemnifies the Condominium for any damage to the Building caused by such work. Notwithstanding the ability of the owner of the Roof Unit to further develop the Roof, the Residential Board will retain the obligation to repair or replace the Roof except for damage or repairs necessitated by the negligence of the owner of the Roof Unit.

44. The By-Laws do not include a provision that after the Sponsor Control Period, a majority of the Board must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals.

45. The existing exterior wall of the Building is comprised of mostly single pane double hung windows with poor R value that does not meet Energy Code Requirements. The existing exterior walls and roof are not compliant with NY State Energy conservation construction code. See the Section of the Plan entitled "Description of Property" for further discussion.

46. As more particularly set forth in Schedule B in Part I of the Plan, the consumption rates for heat and hot water, electricity and gas and water and sewer are based on prior consumption rates for the previous year only, as the prior owner of the Property did not provide such historic information. Further, the consumption rates are estimates and are not based on prior years' usage.

INTRODUCTION

254 PAS Property LLC, a Delaware limited liability company ("Sponsor"), hereby presents this offering plan (the "Plan") for the establishment of condominium ownership of certain real estate consisting of approximately 11,500 square feet of land on the northwest corner of Park Avenue and East 20th Street (the "Land"), including a 13 story building of approximately 164,190 square feet (the "Building") containing 203 residential units consisting of 133,288 square feet on floors 1 to 13 and Penthouse Floor (referred to collectively as the "Residential Units"). The Building also contains 3,980 square feet of retail space on the ground floor (the "Retail Unit") and a portion of the roof consisting of 7,833 square feet and the Building's air rights (the "Roof Unit") (referred to collectively as the "Commercial Unit"), together with the appurtenances thereto, which are not being offered for sale hereunder. The Commercial Unit, including the Retail Unit and the Roof Unit, will be a separate tax lot. The Land and the Building are collectively referred to herein as the "Property". The condominium will be known as "254 Park Avenue South Condominium" and will be referred to as the "Condominium" in this Plan.

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor of the 203 Residential Units. The Commercial Unit Owners will have the right to divide the Commercial Unit. Sponsor may from time to time amend or supplement the Plan by filing an amendment with the New York State Department of Law (the "Department of Law") and serving such amendment on Purchasers and Unit Owners.

The Plan is presented in two parts (in one volume) which together constitute the entire Plan. Part I sets forth a general description of the Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed physical description of the Property, certifications of Sponsor and Sponsor's architect, certifications of an expert selected by Sponsor concerning the adequacy of the budget for the first year of Condominium operation and certain agreements to which the Condominium will be bound. In addition, Sponsor has filed exhibits to the Plan with the Department of Law, which are presented as Parts A (Certifications), B (General), C (Engineering) and D (Other Information). The Plan, including all Schedules set forth herein in Parts A, B, C and D of the exhibits, constitutes the entire offer of Sponsor. Copies of the Plan and the exhibits may be borrowed upon payment of two hundred and fifty ($250) dollar deposit, which amount will be fully refunded after either (i) the prompt return of all borrowed materials in good condition or (ii) the execution by the borrower of a Purchase Agreement subsequently accepted by Sponsor. Copies of the Plan and exhibits will also be available for inspection and copying at a reasonable fee at the Department of Law, 120 Broadway, 23rd Floor, New York, New York. All of these documents are important and should be carefully read by prospective purchaser. Prospective Purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. All capitalized terms used in the Plan shall have the meanings ascribed thereto in the Section entitled "Certain Definitions", unless otherwise indicated.

The Condominium

The Sponsor is the owner of fee title to the Land and related structures and acquired the Property in 2005 from Columbia 254 Park Avenue South , LLC.

As more particularly described herein, the Building will include (a) a Residential Section containing the Residential Units and the Residential Common Elements, and (b) a Commercial Section, which will contain the Retail Unit, the Roof Unit and the Commercial Common Elements.

There will be available to occupants of the Residential Section, certain first class residential services, including, but not limited to, 24-hour doorman, automatic elevators, and cable television service at an additional charge, security systems and communication facilities.

Features of Condominium Ownership

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

Each Unit Owner is obligated to comply with the Declaration and By-Laws, rules and regulations, and any other requirements of the Condominium Board and Residential or Commercial Board. The Condominium Board, the Residential Board and Commercial Board have the authority to manage the Condominium, the Residential Unit and the Commercial Unit, respectively. The Residential Unit Owners have the right to vote for members of the Residential Board, who will also be the representatives of the Residential Unit Owners on the Condominium Board. The Commercial Unit Owners have the right to vote for members of the Commercial Board, who will also be the representatives of the Commercial unit Owners on the Condominium Board.

Subject to certain conditions contained in the By-Laws, each Unit Owner may mortgage his or her Unit(s) with such lender and in such amount as he or she chooses. However, Sponsor makes no representations about whether a Purchaser will be able to finance the purchase of any Unit. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

A Residential Unit Owner may decorate the interior of his or her Unit in any way desired except as otherwise provided in the By-Laws and Rules and Regulations and law, and will be solely responsible for the cost of maintenance and interior repairs to his Residential Unit after Closing. The Residential Board may not limit or restrict the rights of the Commercial Unit Owners to decorate the Commercial Unit.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Please refer to the opinion of

LeBoeuf, Lamb, Greene & MacRae LLP, counsel to Sponsor, set forth in full in Part I of the Plan, for a discussion regarding the deductibility for federal, New York State and New York City income tax purposes, of real estate taxes and the interest paid on a mortgage, if any, on a Residential Unit.

With certain exceptions (for example, Sponsor and its designee are not required to give the Residential Board a right of first refusal with respect to any Unsold Residential Units), any sale or lease of a Residential Unit will be subject to a right by the Residential Board to acquire or lease such Residential Unit or to produce a third party to acquire or lease such Residential Unit on the same terms as were offered to the owner of such Residential Unit. The Commercial Unit Owner may sell or lease all or any portion of the Commercial Unit, without any restriction or limitation imposed pursuant to the Declaration or the By-Laws. For a more complete discussion of the foregoing, see the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers – Sales and Leases of Units".

The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known, and hereinafter referred to as the "Condominium Act". The Property will be submitted to the provisions of the Condominium Act by Sponsor's recording of the Declaration in the City Register's Office. From and after the date of recording the Declaration, Sponsor will be the owner of the Units until each is sold or conveyed. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

Generally, the cost of operating the Residential Common Elements will be borne by the Residential Units Owners in proportion to their respective Residential Common Interest and the cost of operating the Commercial Unit will be borne entirely by the Commercial Unit Owners. Residential Unit Owners, as such, will have no interest in any rents, profits or revenues derived from the rental or use of any space in the Commercial Unit and the Commercial Unit Owners, as such, will have no interest in any rents, profits or revenues derived from the rental or use of any space in the Residential Section. The costs and expenses of operating and maintaining the General Common Elements will generally be shared by all Unit Owners in proportion to their respective Common Interest except as otherwise provided in Schedule B "Projected Budget for First Year of Condominium Operation" in Part I of the Plan or in accordance with the terms of the By-Laws. The Condominium Board and the Residential Board may make allocations of General Common Expenses and Residential Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with law. The Condominium Board can not change the method of allocation of Common Expenses or increase the number of building employees servicing the Commercial Unit as set forth in Schedule B, without the consent of the Commercial Unit Owners.

The Residential Board will be responsible for deciding all matters solely concerning the Residential Section. The Commercial Board will be responsible for deciding all matters solely concerning the Commercial Section. Matters affecting both the Residential Section and the Commercial Section or affecting the General Common Elements will be decided by the Condominium Board, which shall be comprised of representatives of the Residential Board and

of the Commercial Board. Sponsor as the owner of Unsold Units will, at its option, have voting control of the Condominium Board and the Residential Board during the period which continues until the earlier to occur of: (i) the Sponsor and its designees as Holders of Unsold Units own less than fifty (50%) percent of the aggregate Common Interests pertaining to all Units or (ii) five (5) years after the First Closing (the "Sponsor Control Period"). Please refer to the Section of entitled "Control by Sponsor" in Part I of the Plan for further details.

As more particularly set forth in the By-Laws, the Residential Board will determine the amount of Residential Common Expenses and the Condominium Board will determine the amount of General Common Expenses. On a monthly basis or at such other times as the Residential Board determines, the Residential Board will assess Residential Unit Owners for Residential Common Charges to meet Residential Common Expenses and the Residential Board's pro rata share of General Common Charges. Such charges will be assessed against Residential Unit Owners in proportion to their respective Common Interests except as otherwise determined by the Condominium Board or the Residential Board in accordance with the Condominium Act, Sections 339-(i) and (m). As set forth in Schedule B – "Projected Budget for First Year of Condominium Operation" the Commercial Unit Owners share the costs for insurance, heating, hot water, administration, contingency and management fees based upon its Common Interests and shares the costs of a portion of other expenses such as the cost for labor and related expenses, electricity, supplies and certain service contracts based upon estimated usage. Other costs such as water and sewer and the elevator contract, are not borne at all by the Commercial Unit Owners because such utilities and/or services are either separately metered or not used by the Commercial Unit Owners. Purchasers should note, however, that in view of the current energy situation, and the fact that energy costs have fluctuated greatly, it is not possible to predict with any certainty whether the budgeted amount for energy costs will be sufficient to pay for the actual costs incurred in the first year of Condominium expenses.

The cost of improvements, repairs, alterations and additions to the Residential Section ("Residential Common Expenses") will be determined by the Residential Board and assessed against all Residential Unit Owners in proportion to their respective Common Interests. The estimated Residential Common Charges for each Residential Unit for the first year of condominium operation are set forth in Schedule A. The Commercial Board will be responsible for collecting all sums necessary to meet the obligations of the Commercial Section including, without limitation, payment of its pro rata share of General Common Charges.

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

There are no limitations on who may purchase Residential Units. Under the New York Real Property Law, a condominium unit may be owned by an individual, a corporation, a partnership, an association, a trust or any other entity which is permitted to take title pursuant to

New York law. Notwithstanding the foregoing, Sponsor is not obligated to offer or sell any Residential Units and may, if it chooses, withhold one or more Residential Units for future sale for any reason whatsoever, without the consent of any of the Boards, any Residential Unit Owner, or mortgagee, to refuse to approve and execute (a) a Purchase Agreement for any Residential Unit and (b) a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Residential Unit to any one person or entity; provided, however, that, in either event, Sponsor shall not discriminate against any person because of his or her race, creed, color, sex, disability, material status, age, ancestry, national origin or other ground proscribed by law. No binding obligation will arise for the sale of a Residential Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor, has been exchanged and Sponsor has collected the funds constituting Purchaser's required Down Payment thereunder (see the Section entitled "Procedure to Purchase" for more details). Sponsor will not accept an offer of purchase from an individual younger than eighteen (18) years of age or an incompetent under law.

Current zoning permits the residential use of all Residential Units offered for sale and commercial use of the Retail Unit. Neither the Condominium Board nor the Unit Owners will have any right to restrict or limit any lawful use of the Commercial Unit. No representation or warranty is made as to who the owner(s) or tenant(s) of the Commercial Unit may be at any time or as to the uses to which the Commercial Unit may be put at any time. It is noted that applicable zoning permits a broad range of uses of such space, including, by way of example only and not by way of limitation, community facility use, retail use, use as an eating and/or drinking establishment and use for service establishments.

Under the GBL, Sponsor may declare this Plan to be effective when Purchase Agreements have been executed for at least fifteen (15%) percent of the Residential Units in the Building by bona fide tenants in occupancy on the Filing Date or bona fide purchasers who represent that they intend that they or one or more specified members of their immediate family will occupy the Apartment when it becomes vacant. As a result, Unit Owners may be living in a mixed rental/owner-occupied building for an indeterminate period of time and owner-occupants may not control the Board or operation of the Property during such transition period. The By-Laws do not include a provision that after the Sponsor Control Period (as hereinafter defined), a majority of the Board must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. In addition, residents of the Condominium who are not Unit Owners have no investment in their Residential Units and, therefore, do not share the same economic interests as Unit Owners in the maintenance and care of the Building's facilities and amenities and owner-occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing (i.e., purchase as a home as opposed to as an investment).

Sponsor's construction financing does not contain a minimum number of units to be sold before the Plan can be declared effective or provisions relating to the renting of Units.

Sponsor reserves the right to sell ten or more Residential Units and to designate the purchaser of such blocks of Units as "sponsor" under this Plan and the Declaration. The party so designated as a "sponsor" will have those additional rights and obligations of a "sponsor" as more fully described in the Plan.

Except in cases of Purchasers with diplomatic immunity or who have been convicted of a violent crime child molestation, the Condominium Board does not have the right to approve or disapprove purchasers, and as a result, there is no limit on the number of owners who may purchase a Unit for investment rather than for personal occupancy, and there may always be a substantial percentage of Unit Owners who are non-residents.

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 A PURCHASE AGREEMENT.

Offering of Units for Sale

Sponsor hereby offers 203 Residential Units to Purchasers for sale under the Plan. The prices for each of the Residential Units and the Storage Bins offered under the Plan are listed in Schedule A entitled "Purchase Prices and Related Information for the Projected First Year of Condominium Operation." **THE PRICES CONTAINED IN THIS PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.**

a. The Offer to Present Residential Tenants

Tenant Purchasers (defined in the Section entitled "Rights of Existing Tenants"), have the exclusive right to purchase their respective apartments within 90 days from the Presentation Date of this Plan (the "Exclusive Purchase Period") at the Purchase Prices set forth in Schedule A. There will be no increase in prices to tenant Purchasers during any exclusive purchase period for Tenant Purchasers and Sponsor will accept purchase agreements from Non-Tenant Purchasers for occupied Units during any exclusive purchase period.

In order to qualify for the foregoing benefits during the Exclusive Purchase Period, a Tenant Purchaser must submit to the Selling Agent, during the Exclusive Purchase Period, a signed Purchase Agreement and a Down Payment in an amount equal to 10% of the Purchase Price for the Residential Unit to be purchased (the "Down Payment"). See the Section entitled "Procedure to Purchase for more details.

If prior to the expiration of any exclusive purchase period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted a Purchase Agreement and Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

b. The Offer to Non-Tenant Purchasers

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

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

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

In order to qualify for the foregoing benefits, a Non-Tenant Purchaser must submit to the Selling Agent a signed Purchase Agreement and the Down Payment in an amount equal to 10% of the Purchase Price for the Apartment to be purchased. See the Section entitled "Procedure to Purchase" for more details.

c. General

The estimated Residential Common Charges for each Residential Unit for the first year of operation of the Property as a condominium are also set forth in Schedule A. Sponsor will endeavor in good faith to sell all of the Residential Units, however, there is no certainty as to the period of time required to sell all of the Residential Units. In the event that market conditions preclude the Sponsor from selling Residential Units for the prices listed on Schedule "A", as it may be amended from time to time, Sponsor may elect to rent Residential Units until such time as the Residential Units can be sold on terms acceptable to Sponsor.

Each Unit and its appurtenant Common Elements is being sold "as is" in the condition in which it exists on the date a Purchaser executes a Purchase Agreement for such Unit, subject to ordinary wear and tear and further subject to Sponsor's obligation to maintain the Building until the First Closing and further subject to Sponsor's obligation to make repairs, improvements or decorations as may be otherwise set forth in this Plan. All equipment and furnishings described in the Plan as included in the Unit, are included in the purchase prices set forth on Schedule A. Purchasers are advised that former or current occupants of the Units may have made alterations to certain Units, including without limitation, installation and/or relocation of interior walls. Consequently, Sponsor makes no representation, warranty or guarantee as to whether any of said alterations were completed in compliance with all applicable governmental laws and regulations.

Each Purchaser of a Residential Unit will be required to make a contribution to the Working Capital Fund of the Residential Section. Such contribution, to be made at the time of Closing of the Residential Unit, shall be in an amount equal to one (1) month's Residential Common Charges in effect at the time of closing for each Residential Unit purchased. (See the Section entitled "Working Capital Fund and Apportionments").

In addition to the payment of Residential Common Charges, each Residential Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against his or her Residential Unit, interest and amortization payments on the mortgage, if any, which such Purchaser may, at his or her option, obtain, and charges for electricity and gas consumed in his Residential Unit.

The charges for electricity and gas consumed by each Residential Unit Owner individually will be separately metered and billed to each Unit Owner by Con Ed. Water charges and sewer rents, assessed by The City of New York, will be billed to the Residential Section as a Residential Common Expense. The costs and expenses of central heat with respect to the Residential Section will be included in Residential Common Charges. Electricity provided to the Commercial Unit will be separately metered. Schedule A sets forth estimates of the amounts of real estate taxes which will be payable with respect to each Residential Unit. See the Notes to Schedule A with respect to the bases of such estimates.

This offering is restricted to individuals the age of eighteen (18) years or older, corporations, partnerships, limited liability companies, trusts, estates and other business entities that may hold title to real estate pursuant to New York Law. If the Purchaser is a trust, the Purchaser must, prior to executing a Purchase Agreement, provide Sponsor' attorney with documentation satisfactory to Sponsor's attorney which shall include, without limitation, a copy of the trust agreement, affidavit from trustee regarding the validity of the trust and all other information as may be required by Sponsor's attorney.

Rent Laws

This Plan is a non-eviction plan and is being presented in compliance with the requirements of Section 352-eeee of the General Business Law (the "GBL") which sets forth the procedure for converting apartments to Condominium ownership. Under the GBL, Sponsor may declare this Plan to be effective when Purchase Agreements have been executed for at least fifteen (15%) percent of the Residential Units in the Building by bona fide tenants in occupancy on the Filing Date or bona fide purchasers who represent that they intend that they or one or more specified members of their immediate family will occupy the Apartment when it becomes vacant. A Non-Purchasing Tenant of a Residential Unit will not be evicted by reason of conversion of the Property to Condominium ownership. None of the Residential Units in the Building being offered for sale under this Plan are subject to the New York City Rent Stabilization Law and Code, the Rent Regulation Reform Act of 1993 ("RRRA") and the rent regulatory scheme or any codes, rules and regulations promulgated thereunder (collectively the "Rent Laws"). Please refer to the Sections of the Plan entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Apartments Occupied by Non-Purchasing Tenants" for further details.

Sales By Sponsor

Sponsor will endeavor in good faith to sell all of the Residential Units in a reasonably timely manner; however, there is no certainty as to the period of time required to sell all of the Residential Units. However, under the terms of this Plan, Sponsor may retain ownership of the Commercial Unit, and may, if the fair market value of the Residential Units falls below (10%) percent of the prices of the Units used to declare the Plan effective, decide to rent certain Residential Units from time to time. However, so long as Sponsor is able to achieve the purchase prices listed on Schedule A as of the date the Plan is declared effective, the Sponsor is committed to selling Residential Units which represent a majority of the Common Interest in the aggregate. As a consequence of the foregoing, residents of the Condominium may be comprised of both Residential Unit Owners and tenants leasing from Sponsor or other Residential Unit

Owners. Accordingly, it is possible that a significant proportion of Residential Unit Owners will not be residents of the Building and that a significant portion of tenants in the Building may not be Residential Unit Owners, and a Residential Unit Owner seeking to resell or refinance a Residential Unit may experience difficulty. Because 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 percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. However, it is likely that the Residential Unit Owners will obtain control of the Condominium Board at the expiration of the Initial Control Period (as such term is defined in the Condominium By-Laws). See Section of the Plan entitled "Rights and Obligations of Sponsor" for further detail.

CERTAIN DEFINITIONS

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

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

"Building" refers to the structures and improvements including above and below grade segments, located at 254 Park Avenue South, New York, New York in which the Units of the Condominiums are located.

"By-Laws" refers to the By-Laws governing the operations of the Condominium, the form of which is set forth in Part II of the Plan.

"City Register's Office" refers to the New York County office of the Register of The City of New York.

"Closing" refers to the time, place and procedure by which fee title to the Residential Unit in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.

"Closing Date" refers to the date on which Closing occurs.

"Commercial Board" refers to the board of managers representing the Commercial Unit Owners.

"Commercial Common Charges" refers to (i) assessments payable to the Commercial Board by the Commercial Unit Owners for the purpose of meeting (a) Commercial Common Expenses and (b) each Commercial Unit Owner's pro rata share of General Common Expenses and (ii) that portion of the General Common Expenses attributable to the Commercial Unit Owners.

"Commercial Common Expenses" refers to the costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Commercial Common Elements.

"Commercial Common Elements" refers to those Common Elements which serve or benefit exclusively the Commercial Unit and/or the Commercial Unit Owners.

"Commercial Limited Common Elements" refers to those Common Elements which serve or benefit one or more but not all of the Commercial Unit and/or the Commercial Unit Owners.

"Commercial Section" refers to the Commercial Unit and the Commercial Common Elements.

"Commercial Unit" refer to the Retail Unit containing 3,980 square feet of retail space on the ground floor of the Building and 7,833 square feet of commercial space on the Roof and Excess Development Rights, and, to the extent the Commercial Unit is further divided, the Commercial Unit shall refer to all of the Units resulting from the subdivision of the Commercial Unit.

"Commercial Unit Owners" refers to the owner or owners of the Commercial Unit. In the event the Commercial Unit is subdivided, Commercial Unit Owners shall refer to all of the Units resulting from the subdivision of the Commercial Unit.

"Common Charges" refers to the aggregate of General Common Charges, Commercial Common Charges and Residential Common Charges.

"Common Elements" refers to the General Common Elements, the Residential Common Elements, the Residential Limited Common Elements and the Commercial Common Elements.

"Common Expenses" refers to the costs and expenses incurred from General Common Elements, the Residential Common Elements and the Commercial Common Elements.

"Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the General Common Elements appertaining to each Unit determined in accordance with the Declaration. The Common Interest is the basis of determining, among other things, a Unit Owner's share of any distributions upon termination of the Condominium.

"Condominium" refers to the Building.

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

"Condominium Board" refers to the overall board of managers of the Condominium comprised of representatives of the Residential Board and of the Commercial Board.

"Declaration" refers to the instrument creating the Condominium, as the same may be amended from time to time, the form of which is set forth in Part II of the Plan.

"Department of Law" refers to the New York State Department of Law.

"Effective Date" refers to the date on which the Plan is declared effective as set forth in the section of the Plan entitled "Effective Date."

"Excess Development Rights" refers to the excess floor area and development rights as applicable to the Land.

"Exclusive Purchase Period" refers to the period of ninety (90) days from the Presentation Date of this Plan.

"Filing Date" refers to the date on which the Department of Law accepts the Plan for filing.

"First Closing", or words of similar import, refers to the date fee title to a Residential Unit is first conveyed to a Purchaser pursuant to the Plan.

"Floor Plans" refers to the floor plans of the Building, as the same may be amended from time to time, which are approved by the Real Property Assessment Bureau of The City of New York and filed with the City Register's Office.

"GBL" refers to Section 352-eeee of the New York State General Business Law.

"General Common Charges" refers to assessments payable to the Condominium Board by the Residential Board and the Commercial Board for the purpose of meeting General Common Expenses (including but not limited to, the costs and expense of financing or leasing an apartment for the Superintendent).

"General Common Elements" refers to the Land and all parts of the Building, including its foundations, roofs and supports, other than the Units and the Limited Common Elements.

"General Common Expenses" refers to costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements.

"Land" refers to the Property, other than the Buildings and the appurtenances thereto.

"Managing Agent" refers to the managing agent or manager of the Building at the time in question.

"Nonpurchasing Tenant" refers to a person who has not purchased a Residential Unit and is not entitled to possession at the time the Plan is declared effective.

"Offeree" refers to (a) Purchasers who have executed and delivered Purchase Agreements for Residential Units and are not in default thereunder, (b) Unit Owners, and (c) any other person or entity who, pursuant to law, is an offeree of the Plan.

"Permitted Encumbrances" refers to those title encumbrances on a Unit subject to which a Purchaser agrees to take title, as more particularly itemized on Schedule A annexed to the form of Purchase Agreement set forth in Part II of the Plan.

"Permitted Mortgage" refers to a mortgage permitted to be placed upon a Unit or Units pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the construction loan mortgages given by Sponsor to acquire and construct the Property.

"Plan" refers to this offering plan for the establishment of condominium ownership, as the same may be amended from time to time.

"Plans and Specifications" refers to the plans and specifications for the Building which (to the extent required by law) are filed with, and approved by, the Department of Buildings of The City of New York, which plans and specifications may, from time to time, have been amended or changed, or may hereafter be amended or changed in accordance with the provisions of the Plan.

"Presentation Date" refers to the date on which this Plan or an amendment thereto, as the case may be, is personally delivered or the fifth day after mailing to the tenants in occupancy of Apartments in the Building following acceptance of this Plan or an amendment thereto for filing by the Department of Law.

"Property" refers to the Land, the Building and the appurtenances thereto.

"Purchase Agreement" refers to the agreement to purchase a Residential Unit pursuant to the Plan, the form of which is set forth in Part II of the Plan.

"Purchaser" refers to person(s) or entity(ies) named as Purchaser(s) in a Purchase Agreement which has been duly executed by such person(s) or entity(ies) and accepted by Sponsor.

"Rent Laws" refers to (i) the New York City Rent Stabilization and Rent Control Laws and the Code adopted pursuant thereto, (ii) the New York State General Business Law, Section 352-eeee, (iii) the Rent Regulation Reform Act of 1997 and (iv) any codes, rules and regulations promulgated thereunder and any administrative and/or judicial determinations and/or interpretations thereof, to the extent that any or all of the same shall apply to the Property.

"Residential Board" refers to the board of managers representing the Residential Unit Owners.

"Residential Common Charges" refers to assessments payable to the Residential Board by Residential Unit Owners for the purpose of meeting the cost of the Residential Common Expenses.

"Residential Common Elements" refers to those Common Elements which serve or benefit exclusively the Residential Unit and/or the Residential Unit Owners.

"Residential Common Expenses" refers to the costs and expenses incurred or projected in connection with repair, maintenance, replacement, restoration, improvement, alteration and addition of and to the Residential Common Elements or in connection with any services or facilities exclusively benefiting the Residential Section or the Residential Unit Owners.

"Residential Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the Residential Common Elements appertaining to each Residential Unit determined in accordance with the Declaration. The Residential Common Interest is the basis of determining a Unit Owner's liability for a share of the Residential Common Charges.

"Residential Limited Common Interests" refers to those Common Elements which serve or benefit exclusively one or more but not all the Residential Units and/or the Residential Unit Owners including, but not limited to the Terraces appurtenant to certain Residential Units.

"Residential Rules and Regulation" refers to the rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

"Residential Section" refers to the Residential Units, the Residential Common Elements and the Residential Limited Common Elements.

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

"Residential Unit Owner" refers to any owner of a Residential Unit, and all such owners are, collectively, referred to as "Residential Unit Owners".

"Resident Manager's Unit" refers to Unit 2N or such other Unit offered by the Sponsor in which the Condominium's Resident Manager will reside.

"Residents" refers to the people residing in the Building regardless of whether they are Unit Owners, renters, or other occupants of the Units.

"Retail Unit" refers to the 3,980 square feet of retail space on the ground floor of the Building.

"Roof Unit" refers to the portions of the roof which are not being used for the Building's mechanical equipment and includes the Building's Excess Development Rights.

"Schedule A" refers to Schedule A, "Purchase Price and Related Information for the Projected First Year of Condominium Operation" set forth in Part I of the Plan.

"Schedule B" refers to Schedule B, "Projected Budget for the First Year of Condominium Operation" set forth in Part I of the Plan.

"Selling Agent" refers to The Marketing Directors, Inc., or any successor selling agent at the time in question.

"Sponsor" refers to 254 PAS Property LLC, a Delaware limited liability company, and its successors and assigns.

"Sponsor and/or its designee(s)", "Sponsor or a designee of Sponsor" or similar terms refers to Sponsor and any designee of Sponsor including a purchaser of Unsold Units.

"Sponsor Control Period" refers to the period ending the earlier to occur of: (i) the Sponsor and its designees as Holders of Unsold Units owning less than fifty (50%) percent of the aggregate Common Interests pertaining to all Units or (ii) five (5) years after the First Closing.

"Tenant Purchasers" shall have the meaning set forth in the Section of the Plan entitled "Rights of Existing Tenants."

"Terraces" refers to the terraces and/or balconies appurtenant to certain Residential Units, which are Residential Limited Common Elements.

"Unavoidable Delays" refers to delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, terrorist acts, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or lightning, earthquake, fire, storm, hurricane, flood, explosion, act of God or any cause similar to any of the causes hereinabove state; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause similar to the causes stated above.

"Unit" or "Condominium Unit" refers to space designated as a Residential Unit or a Commercial Unit in the Declaration, consisting, generally, of either a specific residence or a portion of the Commercial space in the Building, together with an appurtenant proportionate undivided interest in the General Common Elements and, as the case may be, in the Residential Common Elements, the Residential Limited Common Elements or in the Commercial Common Elements. All of such Units are collectively referred to as "Units".

"Unit Owner" refers to any Residential Unit Owner or Commercial Owner, and all of such Residential Unit Owners and Commercial Unit Owner are collectively referred to as the "Unit Owners".

"Unsold Residential Unit" refers to (a) any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee, or a Residential Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of their principals, is a member or (b) any Residential Unit for which there is a signed Purchase Agreement but for which Closing has not yet occurred.

All other capitalized terms used in Part I of the Plan not separately defined in Part I shall have the meanings ascribed thereto in the By-Laws or in the Declaration, as the case may be.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Building

The building is a Class A multiple dwelling located at 254 Park Avenue South on the northwest corner of park Avenue South and East 20th Street. The building was completed in 1923 and renovated in 1979 and contains 13 stories, a penthouse, a cellar, and a subcellar.

Residential Units

Subject to the rights of Sponsor and its designee to change the number of Residential Units, there will be a total of 203 Residential Units situated in the Building. Detailed descriptions of the Residential Units are set forth in the Declaration and in the "Description of Property" in Part II of the Plan. See also the Section entitled "Changes in Prices and Units." Please refer to Schedule A, "Prices of Units and Related Information" for further details.

Sponsor may negotiate with Purchasers other than Tenant Purchasers for whom such negotiation would constitute a discriminatory inducement to make modifications or changes in any Residential Unit or to do special work therein to provide different or additional appliances, equipment furnishings or decorations, provided that Sponsor shall not be bound to do so unless agreed to by Sponsor in a written instrument which is incorporated as an addendum to the Purchase Agreement.

Sponsor and its designee reserve the right, without prior notice or amendments to the Plan, to use Unsold Residential Units on any floor of the Building as sales and leasing offices and model apartments. In the event Sponsor or its designee, thereafter, elects to sell such Unsold Residential Units, Sponsor or its designee may require the purchaser thereof to purchase all or any of the furniture, furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unsold Residential Unit, such amounts as Sponsor determines.

Except as otherwise agreed by the parties, each Purchaser will be obligated to do all other painting and decorating of his or her Residential Unit at his or her own cost and expense.

A Residential Unit Owner may only use his or her Residential Unit for a purpose consistent with the local zoning ordinance, as amended from time to time, any other applicable ordinance or statute, and any regulation of a governmental authority with jurisdiction over the Condominium, including, but not limited to, local building codes and the Multiple Dwelling Law, as such statutes, ordinances and regulations may be amended from time to time, but in no event may a Residential Unit Owner use his Residential Unit for a use violative of the By Laws or the Deed Restrictions which are described in the Section of the Plan entitled "Commercial Unit".

Terraces

As indicated in Schedule A, Terraces are appurtenant to certain Residential Units and are included in the purchase prices therefor. A Residential Unit Owner who has a Terrace appurtenant to his or her Residential Unit shall have the exclusive use of same, subject to the right of the Residential Board to regulate its use, and shall be responsible for all normal

maintenance, repairs and replacements thereto. However, the costs and expenses of any structural repairs or repairs or replacements caused by the need for such structural repairs to any Terrace, which are Residential Limited Common Elements, (unless caused by its Residential Unit Owner) shall be charged to all Residential Unit Owners as a Residential Common Expense.

Plantings, structures and any change in appearance of any Terrace must be approved by the Residential Board. The Residential Board shall have the right to require a Unit Owner to remove plantings and other installations which have been placed on the Terraces if the Residential Board determines, in its reasonable discretion, that such plantings or other installations adversely affect the integrity of the roof. The Residential Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants.

Commercial Section

As more particularly described in the Section of the Plan entitled "Commercial Unit", in the Declaration and the "Description of Property," the Commercial Section and contains the Commercial Common Elements.

General Common Elements

Generally, the General Common Elements consist of all Common Elements other than the Residential Common Elements, Residential Limited Common Elements and Commercial Common Elements and include, among other things, the following: (a) the Land; (b) all foundations, footings, columns, girders, concrete floor slabs and ceilings (except to the extent included as the Residential Common Elements, or Residential Limited Common Elements), beams, supports, and interior load bearing walls, together with those portions of the exterior walls of the Building, (c) corridors and all fire staircases, landings and stairs which are not Residential Common Elements, or Residential Limited Common Elements or part of any Unit; (d) meter rooms, electrical rooms, gas meter room, pump room, domestic hot water room, and janitorial toilet and sink; (e) general illumination fixtures and security systems; (f) all passages, hallways, stairs, corridors, mechanical and other rooms, areas and spaces located in the Building serving both the Residential Section and Commercial Section, which are not Residential Common Elements, Residential Limited Common Elements, Commercial Common Elements, Commercial Limited Common Elements or part of any Unit; (g) the water tower; and (h) all other parts of the Building and the apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance or safety of both the Commercial Section and the Residential Section. A detailed description of the General Common Elements is set forth in the Declaration.

Residential Common Elements

Generally, the Residential Common Elements include, among other things, the following: (a) elevators that service the Residential Units (including their shafts, pits, machinery and appurtenant facilities); (b) for cleaning purposes, the exterior glass surfaces of all Residential Section windows; (c) the lobby, vestibule, package room, toilette, elevator lobby, concierge

station, service vestibule and service corridor and the entrances on the first floor of the Building; (d) passages, hallways, stairs and corridors to the extent any of the same are for the exclusive use of the Residential Section; (e) electric panels, closets, feeders and risers serving the Residential Section; (f) the service vestibule and trash chutes servicing each of the Floors and the compactor room in the cellar; (g) the portion of the roof of the Building that contains the Building's mechanical equipment, although the Residential Board is responsible for repairs to the entire roof; (h) all mechanical space and other rooms, areas and spaces located in the Building serving exclusively the Residential Units, the Residential Common Elements and the Residential Limited Common Elements and which are not General Common Elements, Commercial Common Elements, or part of any Unit; and (i) all other apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit exclusively the Residential Units. A detailed description of the Residential Common Elements is contained in the Declaration.

Residential Limited Common Elements

The Residential Limited Common Elements include those portions of the Building available for the exclusive use of some but not all Residential Unit Owners.

Commercial Common Elements

Generally, the Commercial Common Elements include, among other things, all apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits, and lines) which serve or benefit exclusively the Commercial Unit or the Commercial Unit Owners. A detailed description of the Commercial Common Elements is set forth in the Declaration. The Commercial Board will have the right to grant easements permitting access between any Commercial Common Element or other portion of the Commercial Section and any property adjoining the Land, including the right to penetrate any General Common Elements located between the Commercial Units (to the extent the Commercial Units are subdivided) and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building.

Commercial Limited Common Elements

The Commercial Limited Common Elements include those portions of the Building, if any, available for the exclusive use of the Commercial Unit Owners or, in the event that the Commercial Unit is subdivided, is available for the exclusive use of some but not all of the Commercial Unit. The costs of maintaining and operating the Commercial Limited Common Elements shall be borne by the Commercial Unit Owners having exclusive access thereto or utilizing or benefiting from the same.

Resident Manager's Unit

The Resident Manager's Unit will be occupied by the Resident Manager of the Building. This Unit will be purchased by the Residential Board on behalf of the Residential Unit Owners at or after the First Closing for a purchase price of $980,000, one hundred percent (100%) of the purchase price will be financed by a loan from the Sponsor for a term of five (5) years and secured by a mortgage on the Resident Manager's Units. The note will bear interest at the rate of

8% per annum, provide for the payment of equal monthly installments of interest and will require a balloon payment on its maturity date which will be five (5) years after the First Closing. The debt service to be paid to the Sponsor will be included in the Common Charges payable by Residential Unit Owners, and each Residential Unit Owner will be individually liable therefore to the extent of his percentage of Common Interest. The Residential Board on behalf of all Residential Unit Owners will be responsible for the payment of all mortgage recording taxes, transfer taxes and title insurance premiums and fees due in connection with the purchase of this Unit. All Common Charges attributable to the Resident Manager's Unit including debt service, utilities, real estate taxes, costs of repairs, alterations and improvements and costs of refinancing the purchase of the Resident Manager's Unit shall be borne by all Unit Owners as a Common Expense. (See the Sections of the Plan entitled "Schedule B – First Year's Budget" and "Agreements Affecting Building Operations" for further details.)

The note will bear interest at the projected rate of not more than 8% per annum (as set forth in "Schedule B – First Year's Budget"), provide for the payment of equal monthly installments of interest and require a balloon payment (assuming no defaults thereunder) on its maturity date which will be five (5) years after the Closing. At maturity, the Residential Units will have to repay the principal balance together with any accrued and unpaid interest. No representation is made by Sponsor with respect to the Condominium's ability to repay or otherwise refinance such mortgages at such time. Purchasers are advised that in the event the Residential Board is not able to refinance or extend the note(s) and mortgage (s) at maturity, the Residential Board may be required to assess all Unit Owners in proportion to their respective Common Interests.

In the event of a default under the note(s) and mortgage(s), the holder of such mortgage(s) may foreclose on the Unit, with any deficiency being the obligation of the Residential Unit Owners. In the event of such foreclosure, the Condominium will be without Resident Manager's Units and alternate arrangements will be required to shelter the Resident Manager within the Condominium or within such distance as prescribed by Law.

Closing costs, including without limitation, mortgage recording taxes, transfer taxes, title insurance premiums and fees due in connection with the conveyance and financing of the Resident Manager's Unit are approximately $52,000 and will be paid by the Residential Board, on behalf of Residential Unit Owners out of the Working Capital Fund. If the Working Capital Fund at the time of Closing is insufficient to make such payments, Sponsor will advance such sums on behalf of the Condominium for repayment to the Sponsor pursuant to a non-interest bearing, fully-amortizing, non-secured promissory note requiring 12 equal monthly payments. These payments shall be borne by all Residential Unit Owners as a Common Expense.

Sponsor reserves the right, in its sole discretion to substitute different Residential Units in place of Residential Unit 2LM (at the same cost and with the same financial implications as set forth herein) to serve as the Resident Manager's Units. Sponsor shall amend the Plan to disclose such substitution.

(See Footnote (12) to the Section of the Plan entitled "Schedule B-First Year's Budget" for more details.)

Services and Facilities

Under present plans, all of the services and facilities described herein will initially be provided and made available to Residential Unit Owners immediately following the First Closing, except as otherwise indicated and subsequent changes made by the Condominium Board or the residential Board, as the case may be.

a. Entrance

The main entrance to the Building is located on Park Avenue South.

b. Doorman/Concierge

It is anticipated that one doorman/concierge will be on duty in the Lobby of the Building twenty-four (24) hours a day, seven (7) days a week.

c. Elevator Service

There are 3 passenger elevators that serve the Residential Units.

d. Cable Television Service

A cable television system is available for the use of the Residential Unit Owners. The charges for primary connections and subsequent monthly fees related to the service will be determined by, and payable directly to the cable company. Additional cable service (i.e., Home Box Office or Showtime) will also be available from the cable company for an additional charge on the same basis. Sponsor makes no representation that cable television service will be available to any Residential Unit Owner upon its initial occupancy of a Residential Unit.

e. Electrical Systems Telephone Service and Internet Access

Electrical service is metered and separately billed to each Unit Owner by Con Ed. Local and long distance telephone service will be provided by Verizon or other telephone service provider and separately billed to each Unit Owner.

f. Laundry

There is 1 washer and 1 dryer located on every floor, which are coin operated.

g. Mail

The tenant mailroom is located in the main lobby.

h. Security

Security is provided by a 24-hour doorman and concierge service and an intercom system connecting the concierge desk and each apartment unit.

i. Garbage

The designated refuse and recycling room is in the basement. Each floor has a garbage chute to a trash compactor in the cellar.

General

All determinations with respect to the continuance of any of the foregoing services, if initially made available, will be made by the Residential Board, which will be controlled by Sponsor until the earlier to occur of: (i) the Sponsor and its designees as Holders of Unsold Units owning less than fifty (50%) percent of the aggregate Common Interests pertaining to all Units or (ii) five (5) years after the First Closing. (See the Section entitled "Control by Sponsor"). Please refer to the Description of the Property set forth in its entirety in Part II of the Plan for further details regarding services and facilities at the Property.

Neither Sponsor, the Managing Agent nor the Boards will in any event be liable for the availability, interruption, discontinuance or quality of any of the foregoing services, including, but not limited to, any services provided by any outside company or person other than Building personnel, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, except to the extent that any such injury to person or damage to property occurs as a result of the negligence of Sponsor, the Managing Agent or any of the Boards, as the case may be.

Security Procedures

The Residential Board is vested with the responsibility of devising and carrying out security procedures with respect to the Residential Section. Such procedures may be adopted and from time to time changed by the Residential Board as such Residential Board, in its discretion, determines to be appropriate to secure the Residential Section. It is anticipated that the security procedures will be as follows:

a. Entrances and Elevators

A doorman supervises all admissions to the Residential Lobby.

b. Intercom System

All Residential Units are wired for an intercom facility through providing direct communication from the Residential Unit to the front door.

c. Smoke Detector

Smoke detectors are provided in each Residential Unit in compliance with applicable codes. It will be responsibility of each individual Residential Unit Owner to test and maintain the smoke detectors located in such Unit Owner's Unit. There are smoke detectors in the basement wired to an alarm in the superintendent's office.

d. Carbon Monoxide Detector

Carbon Monoxide detectors are provided in each Residential Unit in compliance with applicable laws, rules and regulations. It will be the responsibility of each Individual Residential Unit Owner to test and maintain the Carbon Monoxide detectors located in such Unit Owner's Unit.

No representation or warranty is made and no assurance is given that the security systems and procedures of the Residential Section and of the Condominium will prevent personal injury or damage to or loss of personal property. While Unsold Residential Units are being offered for sale or lease by Sponsor or its designees there will be a greater number of visitors to the Residential Section than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Residential Section's or the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or their respective agents. Please refer to the Description of Property set forth in its entirety in Part II of the Plan for further details regarding security procedures.

RIGHTS OF EXISTING TENANTS

Each Tenant Purchaser (defined below) shall have the exclusive right for a period of ninety (90) days from the Presentation Date of this Plan (the "Exclusive Purchase Period") within which to purchase the Residential Unit such purchaser occupied on the Filing Date of this Plan at the Purchase Price set forth in Schedule A, during which time the Tenant Purchaser's Residential Unit shall not be shown to a third party unless the Tenant Purchaser has, in writing, waived the Tenant Purchaser's right to purchase. In order to exercise this exclusive right to purchase, the Tenant Purchaser must deliver a signed Purchase Agreement and the required Down Payment to the Selling Agent during the Exclusive Period. Sponsor has agreed that during the Exclusive Purchase Period, the purchase prices to be paid by Tenant Purchasers will not be increased nor will the Selling Agent accept Purchase Agreements from non-occupant purchasers for occupied Residential Units.

The term "Tenant Purchaser" shall include: (a) a bona fide tenant in occupancy on the Filing Date; (b) a bona fide tenant with the right to renew a lease on the Filing Date; (c) a bona fide tenant who has the right to continued occupancy on the Filing Date; (d) a bona fide tenant of record with an unexpired lease on the Filing Date even though the tenant has sublet the Residential Unit or the Residential Unit is not the tenant's primary residence; and (e) a bona fide sublessee in occupancy on the Filing Date, if such sublessee sublets from a non-bona fide tenant, or has obtained written permission to purchase the Residential Unit from the bona fide tenant of record.

The term "Tenant Purchaser" shall not include the estate or legal representative of a bona fide tenant who was in occupancy of a Residential Unit on the Filing Date who died on or after the Filing Date. If a Tenant Purchaser dies after he or she executes a Purchase Agreement, the executor of the Tenant Purchaser's estate will have the right to designate a successor.

THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO CONDOMINIUM OWNERSHIP. However, Tenants can continue to be evicted for violating the terms of their leases or (a) if a Rent Stabilized Tenant elects not to renew their lease, (b) if prior to the Effective Date, a non-Rent Stabilized Tenant's lease is not renewed or (c) if after the Effective Date, a non-Rent Stabilized Tenant elects not to renew their lease.

The following summary of rights of existing tenants is set forth in accordance with Section 352-eeee of New York State General Business Law (the "GBL"), a copy of which is set forth in Part II of this Plan. Bona fide tenants in occupancy derive substantial protections under the GBL.

The term "Non-Purchasing Tenant" means a person who has not purchased a Residential Unit pursuant to this Plan and who is a tenant entitled to possession at the time this Plan is declared effective or a person to whom a Residential Unit is rented by someone other than a Purchaser under the Plan or a successor to such Purchaser subsequent to the Effective Date of the Plan. A person who sublets a Residential Unit from "a purchaser under the Plan" (as such term is defined in the GBL) or their successor shall not be deemed a Non-Purchasing Tenant.

(A) No eviction proceedings will be commenced at any time after the effective date against Non-Purchasing Tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, non renewal of a lease, illegal use or occupancy of the premises, refusal of reasonable access to the Condominium Board or its Managing Agent or a breach by the Non-Purchasing Tenant of the Non-Purchasing Tenant's obligations to the owner of the Residential Unit; and provided further that an owner of a Residential Unit may not commence an action to recover possession from a Non-Purchasing Tenant on the grounds that he seeks the Residential Unit for the use and occupancy of the Non-Purchasing Tenant or the Non-Purchasing Tenant's family.

(B) The rentals of Non-Purchasing Tenants shall not be subject to unconscionable increases beyond the fair market rentals for comparable Residential Units during the period of their occupancy. In determining comparability, consideration will be given to such factors as building services, level of maintenance and operating expenses.

(C) Non-Purchasing Tenants are advised that complaints of unconscionable rent increases may be referred to the New York State Department of Law, Bureau of Real Estate Financing, 120 Broadway, 23rd floor, New York, New York 10271.

Non-Purchasing Tenants may be subject to rent increases as the result of major capital improvements ("MCI") made by Sponsor, the Condominium Board or purchasers of Residential Units occupied by such Non-Purchasing Tenants. Under current law, Sponsor is not entitled to seek a MCI rent increase to the extent Sponsor has taken a credit against the Reserve Fund as a result of such MCI. Please refer to the Section of the Plan entitled "Reserve Fund" for further details.

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

(D) The rights granted under this Plan to "purchasers under the Plan" (as such term is defined in the GBL) and to Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, the GBL.

(E) All Residential Units occupied by Non-Purchasing Tenants will be managed by the same managing agent who manages all other Residential Units in the Building. Such managing agent will provide to Non-Purchasing Tenants all services and facilities required by Law on a non-discriminatory basis.

Sponsor will guarantee the obligation of the Managing Agent to provide all such services and facilities until such time as Sponsor surrenders control of the Residential Board.

(F) It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in such tenant's use or occupancy of such tenant's Residential Unit or the facilities related thereto. The Attorney General may apply to a court of competent jurisdiction for an order restraining such conduct and, if the Attorney General deems it appropriate, an order restraining the owner from selling the Residential Unit or from proceeding with this Plan of conversion. Nothing contained in the GBL shall be deemed to preclude the tenant from applying on such tenant's own behalf for

similar relief.

(G) Any provision of a lease or other rental agreement which purports to waive a tenant's rights under the GBL or rules and regulations promulgated pursuant to the GBL shall be void as contrary to public policy.

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

The By-Laws provide that subsequent to the Closing Date under this Plan, and for each sale or resale of a Residential Unit occupied by a Non-Purchasing Tenant, a Non-Purchasing Tenant will be promptly notified in writing by the purchaser thereof, of the name and address of the person or persons who purchased such Non-Purchasing Tenant's Residential Unit and the Condominium Board is required to make such information available to such Non-Purchasing Tenant.

If prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted a Purchase Agreement and Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions. A Purchase Agreement from a Tenant Purchaser executed and submitted to Sponsor during any exclusive purchase period shall have priority over and pre-empt any Purchase Agreement from a Non-Tenant Purchaser.

In the event a Purchaser purchases a Residential Unit not occupied by such Purchaser, such purchase shall be subject to the terms and conditions of the existing lease or tenancy of the Residential Unit and subject to the rights and obligations set forth in the GBL and the purchaser and his or her successors shall continue to be bound as long as such lease or tenancy continues.

If a Tenant Purchaser purchases a Residential Unit, then from and after the closing of title to such Residential Unit, such Tenant Purchaser would no longer be subject to, or have any rights afforded tenants in occupancy under, the GBL. Tenant Purchasers shall not have the right to assign their Purchase Agreements. Please refer to the Section of the Plan entitled "Assignment of Purchase Agreements."

Tenant Purchasers are not being offered the right to purchase any Residential Unit other than the Residential Unit occupied by such Tenant Purchaser on the Filing Date of the Plan. Non-Purchasing Tenants shall have no rights with respect to their Residential Units except as same may specifically set forth above and in the GBL. Nothing contained herein shall be deemed to grant Non-Purchasing Tenants any additional rights of occupancy with respect to the Residential Units.

See the Section entitled "Effective Date" for a discussion of Sponsor's obligation to periodically post the percentage of Purchase Agreements received by the Selling Agent.

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

A person purchasing a Residential Unit occupied by another does so subject to: (a) the existing lease for the Residential Unit, if any (and any renewal thereof pursuant to Law or effected prior to the date on which the purchaser's Purchase Agreement is accepted), (b) the existing occupancy of the Residential Unit, and (c) rights of the tenant thereof, if any, under the Rent Laws, and under the GBL, including the right to stay in possession of the Residential Unit pursuant to the GBL, as more fully discussed in the Section entitled "Rights of Existing Tenants." A purchaser purchasing a Residential Unit subject to the Rent Laws must register such Residential Unit with the New York State Department of Housing and Community Renewal.

No representations or statements of any kind as to the requirements of the GBL are given, except as expressly set forth in this Plan, and a prospective purchaser interested in purchasing an occupied Residential Unit in which he or she does not reside, or lease, is advised to consult with such prospective purchaser's attorney regarding the application and effect of the foregoing Laws and regulations in order to become fully apprised of the prospective purchaser's rights as a purchaser and any obligations to any existing tenant or occupant.

After consummation of the sale of a Residential Unit to a non-occupant purchaser, such non-occupant purchaser will own the Residential Unit, subject to the lease or tenancy of the present tenant and subject to all rights, if any, afforded such tenant under the GBL and this Plan. Under the GBL, the Non-Purchasing Tenant may not be evicted at any time for failure to purchase or any other reason applicable to expiration of tenancy, provided that eviction proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the Condominium Board or its Managing Agent or a breach by a Non-Purchasing Tenant of such Non-Purchasing Tenant's obligations to the owner of the Residential Unit. In addition, no eviction proceedings may be commenced against a Non-Purchasing Tenant on the grounds that the non-occupant purchaser seeks the Residential Unit for the use and occupancy of such Non-Purchasing Tenant or such Non-Purchasing Tenant's family.

If a non-occupant purchaser acquires a Residential Unit occupied by another, then on the Residential Unit Closing Date of such Residential Unit, the non-occupant purchaser will become the landlord of such tenant and the latter will become the non-occupant purchaser's tenant. Such non-occupant purchaser will be required under the Purchase Agreement executed by the non-occupant purchaser to pay the Common Charges, taxes, or other assessments charged against the Residential Unit by the Condominium Board, regardless of whether such Common Charges, taxes or other assessments are greater or less than the rent payable by the tenant or occupant, and regardless of whether the rent is received. In addition, such non-occupant purchaser will be responsible for the performance of all obligations of the landlord under the lease with the tenant or occupant, including, without limitation, the obligation to maintain plumbing fixtures, doors, hardware, flooring, refrigerator, range, dishwasher, lighting fixtures, and other equipment, if any, which are included in the Residential Unit or are the obligation of the Unit Owner to maintain, and which are not owned by the tenant or occupant and to paint the Residential Unit, as provided in the Purchase Agreement or applicable Law.

The Purchase Agreement contains a provision whereby each non-occupant purchaser of a Residential Unit irrevocably appoints the then Managing Agent of the Building (which Managing Agent may be replaced from time to time by the Condominium Board) as non-occupant purchaser's agent, coupled with an interest, to provide, for the account and at the expense of the non-occupant purchaser, all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has a right to occupy the Residential Unit such non-occupant purchaser is purchasing until such time as said right to occupy terminates. In addition, each non-occupant purchaser agrees: (a) to deposit with the Managing Agent at the closing of title to the Residential Unit, a sum not less than an amount equal to two (2) months Common Charges to be used as working capital to furnish such services and facilities, and (b) upon written notice by the Managing Agent that the deposit has been diminished, to replenish such fund within a thirty (30) day period. Sponsor shall guarantee the obligation of the Managing Agent to provide such services and facilities until such time as Sponsor surrenders control of the Residential Board. Each non-occupant purchaser of a Residential Unit will be required to indemnify Sponsor for all costs expended by Sponsor on such non-occupant purchaser's behalf. The foregoing obligations of a non-occupant purchaser do not apply to Sponsor.

Upon each resale of a Residential Unit occupied by another, the Managing Agent shall notify the Non-Purchasing Tenant thereof in writing within ten (10) days following the change in ownership of the name and address of the new non-occupant purchaser.

No representation is made or warranty given as to whether the Rent Laws will continue to apply to any Residential Unit in the Building or whether there will be any future amendments thereto. Nothing contained herein shall be deemed to prevent Sponsor or the purchaser of a Residential Unit occupied by Non-Purchasing Tenants from enjoying the benefits from any amendment to the Rent Laws or any court ruling which may be deemed to benefit Sponsor.

A person interested in purchasing a Residential Unit in which he or she does not reside is advised to examine the lease for such Residential Unit to ascertain the rental thereof, expiration date and obligations imposed on the landlord thereof. These leases are on file at the office of the Managing Agent or Sponsor. It is further recommended that such person consult with his or her own attorney in order to become fully apprised of the effect of the GBL and the Rent Laws, as well as the lease for the Residential Unit, on such person's rights as a non-occupant purchaser and such person's obligations to the existing tenant or occupant.

A non-occupant purchaser of a Residential Unit subject to a lease will be entitled to receive the unapplied portion of any security deposit held by Sponsor under the terms of such lease. Such security must be held by the non-occupant purchaser, in trust, in an interest bearing account in accordance with Section 7-103 of the New York General Obligations Law. Upon receipt of such security deposit, the non-occupant purchaser will be required to acknowledge, in writing, receipt thereof and agree to indemnify Sponsor against all claims or liability in connection therewith.

LOCATION AND AREA INFORMATION

The Condominium is a full-service, first class apartment building located north of Union Square in Manhattan. New York City is the largest city in the United States, as well as one of the principal urban centers of the world. Manhattan is the center of New York City, containing numerous business and financial centers, excellent regional transportation, cultural activities, recreational and open-space park areas, educational facilities, superb medical centers and a vast array of restaurants.

New York City is the nation's principal financial center. It is the home of the New York Stock Exchange, the American Stock Exchange and the National Over-the-Counter Stock Market. Manhattan is the corporate headquarters for a number of the largest banks in the United States. Many of the country's "Fortune 500" industrial corporations have their principal corporate headquarters in Manhattan as do major law firms and accounting firms. Manhattan is also recognized as the national center of the advertising, communications, broadcasting, publishing and garment industries. In the last several years, there has been substantial growth in the number of foreign banks and corporations that have established offices in Manhattan.

New York City is serviced by three major airports located within fifteen miles of the Condominium. Kennedy International and LaGuardia Airports are located in New York City and Newark International is located in Newark, New Jersey.

The Property is situated at a uniquely desirable location for luxury apartments, at the intersection of three of Manhattan's most fashionable neighborhoods: the Flatiron District, Gramercy Park and Union Square. Many of the city's most popular and trendy, upscale restaurants and bars are concentrated just steps from the Building's entrance on Park Avenue South including: Park Avalon, City Crab, Angelo & Maxie's, Sushi Samba, Unionbar, Lemon bar and Underbar at the W Hotel. Gramercy Tavern is just around the corner on 20th Street. Just three blocks to the south of the Building is Union Square Park with the mix of retailers, gourmet restaurants, theaters and nightlife that surround the park. Two blocks to the west of the Building are the national retailers and upscale boutiques on lower Fifth Avenue in the heart of the Flatiron District. The excitement and amenities of Soho, Noho and Chinatown are a short walk from the Property. In addition to the wealth of local amenities, all of New York city is conveniently accessible from the Union Square subway stop.

The Property offers exceptional access to the City's subway system. The 23rd Street stop of the Lexington Avenue subway line is just three blocks to the north of the Building, and the 23rd Street stop of the N/R line is just four blocks to the north. Only four blocks to the south is the Union Square subway station with access to the 4, 5, 6, N, R, Q, W & L lines. The neighborhood is also well served by the New York City's public bus system.

The area is served by the Bellevue Hospital Center, Beth Israel Medical Center, Cabrini Medical Center, Gouverneur Health Care Services, Hospital for Joint Diseases Orthopedic Institute, New York University Medical Center and New York Eye and Ear Infirmary.

The Building is close to the following schools: JHS 104 Simon Baruch, J47 The American Sign Language and English Dual Language School, The American Sign Language and

English Lower School, Manhattan Village Academy, School of the Future High School, School for the Physical City High School, Baruch College Campus High School, Baruch College, the Parsons School of Design and the School of Visual Arts.

Engine Company #14 and Ladder Company #11, located at 14 East 18th Street, New York, New York provides fire protection. The local police (13th precinct) is located at 230 East 21st Street, New York, New York. Sanitation and snow removal services are also provided by the City of New York.

There is no guaranty that any of the foregoing services or amenities will continue to be available to Unit Owners or residents in the future or that any change in the foregoing will not adversely impact upon the value of the Units. Sponsor makes no representations that the character of the neighborhood, the businesses and other institutions which operate there or the qualitative nature of the surroundings will not change.

Zoning and Use

The Property is situated in a C6-4 zoning districts.

SCHEDULE A
PRICES OF UNITS AND RELATED INFORMATION

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST		(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
GLK	V	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
GLO	V	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
GLP	V	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
1K	FM	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
1L	V	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
1M	FM	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
1N	V	0/1	468		$585,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11
1O	V	0/1	453		$615,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
1P	V	1/1	724	105	$1,010,000	0.7452%	0.6670%	0.7452%	$ 711.75	$ 8,540.96	$ 992.36	$ 11,908.33	$ 1,704.11	$ 20,449.30
1R	RS	1/1	750	105	$1,035,000	0.7711%	0.6901%	0.7711%	$ 736.41	$ 8,836.95	$ 1,026.75	$ 12,321.02	$ 1,763.16	$ 21,157.97
2A	V	1/1	0	-	$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
2B	V	1/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
2C	V	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
2D	V	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
2E	V	1/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
2F	V	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
2G	V	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
2H	V	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
2J	V	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
2K	V	0/1	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
2L (RM)	V	1/2	0		$0	0.0000%	0.0000%	0.0000%	$ -	$ -	$ -	$ -	$ -	$ -
2M	V	0/1	490		$585,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
2N	V	0/1	468		$545,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11
2O	V	0/1	453		$550,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
2P	V	1/1	724		$885,000	0.7192%	0.6436%	0.7192%	$ 686.84	$ 8,242.13	$ 957.64	$ 11,491.68	$ 1,644.48	$ 19,733.81
2R	V	1/1	750		$860,000	0.7450%	0.6667%	0.7450%	$ 711.51	$ 8,538.12	$ 992.03	$ 11,904.37	$ 1,703.54	$ 20,442.48
3A	V	1/1	662	62	$1,150,000	0.6730%	0.6023%	0.6730%	$ 642.73	$ 7,712.76	$ 896.13	$ 10,753.61	$ 1,538.86	$ 18,466.38
3B	V	1/1	698		$1,125,000	0.6933%	0.6205%	0.6933%	$ 662.18	$ 7,946.14	$ 923.25	$ 11,079.00	$ 1,585.43	$ 19,025.14
3C	V	1/1	542		$875,000	0.5384%	0.4818%	0.5384%	$ 514.18	$ 6,170.21	$ 716.91	$ 8,602.89	$ 1,231.09	$ 14,773.10
3D	V	1/1	538		$955,000	0.5344%	0.4783%	0.5344%	$ 510.39	$ 6,124.68	$ 711.62	$ 8,539.40	$ 1,222.01	$ 14,664.07
3E	V	1/1	592		$995,000	0.5880%	0.5263%	0.5880%	$ 561.62	$ 6,739.42	$ 783.04	$ 9,396.51	$ 1,344.66	$ 16,135.93
3F	FM	0/1	378		$630,000	0.3755%	0.3360%	0.3755%	$ 358.60	$ 4,303.21	$ 499.98	$ 5,999.80	$ 858.58	$ 10,303.01
3G	V	0/1	398		$655,000	0.3953%	0.3538%	0.3953%	$ 377.57	$ 4,530.89	$ 526.44	$ 6,317.25	$ 904.01	$ 10,848.14
3H	V	0/1	500		$835,000	0.4967%	0.4445%	0.4967%	$ 474.34	$ 5,692.08	$ 661.35	$ 7,936.24	$ 1,135.69	$ 13,628.32
3J	V	0/1	467		$775,000	0.4639%	0.4152%	0.4639%	$ 443.03	$ 5,316.40	$ 617.70	$ 7,412.45	$ 1,060.74	$ 12,728.85

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST		(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
3K	V	0/1	441		$720,000	0.4381%	0.3920%	0.4381%	$ 418.37	$ 5,020.41	$ 583.31	$ 6,999.77	$ 1,001.68	$ 12,020.18
3L	V	0/1	490		$810,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
3M	V	0/1	490		$740,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
3N	V	0/1	468		$690,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11
3O	V	0/1	453		$655,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
3P	V	1/1	724		$1,170,000	0.7192%	0.6436%	0.7192%	$ 686.84	$ 8,242.13	$ 957.64	$ 11,491.68	$ 1,644.48	$ 19,733.81
3R	V	1/1	750		$1,210,000	0.7450%	0.6667%	0.7450%	$ 711.51	$ 8,538.12	$ 992.03	$ 11,904.37	$ 1,703.54	$ 20,442.48
4A	V	1/1	662	62	$1,200,000	0.6730%	0.6023%	0.6730%	$ 642.73	$ 7,712.76	$ 896.13	$ 10,753.61	$ 1,538.86	$ 18,466.38
4B	V	1/1	698		$1,135,000	0.6933%	0.6205%	0.6933%	$ 662.18	$ 7,946.14	$ 923.25	$ 11,079.00	$ 1,585.43	$ 19,025.14
4C	V	1/1	542		$885,000	0.5384%	0.4818%	0.5384%	$ 514.18	$ 6,170.21	$ 716.91	$ 8,602.89	$ 1,231.09	$ 14,773.10
4D	V	1/1	538		$965,000	0.5344%	0.4783%	0.5344%	$ 510.39	$ 6,124.68	$ 711.62	$ 8,539.40	$ 1,222.01	$ 14,664.07
4E	V	1/1	592		$1,000,000	0.5880%	0.5263%	0.5880%	$ 561.62	$ 6,739.42	$ 783.04	$ 9,396.51	$ 1,344.66	$ 16,135.93
4F	V	0/1	378		$640,000	0.3755%	0.3360%	0.3755%	$ 358.60	$ 4,303.21	$ 499.98	$ 5,999.80	$ 858.58	$ 10,303.01
4G	V	0/1	398		$662,000	0.3953%	0.3538%	0.3953%	$ 377.57	$ 4,530.89	$ 526.44	$ 6,317.25	$ 904.01	$ 10,848.14
4H	V	0/1	500		$842,000	0.4967%	0.4445%	0.4967%	$ 474.34	$ 5,692.08	$ 661.35	$ 7,936.24	$ 1,135.69	$ 13,628.32
4J	V	0/1	467		$785,000	0.4639%	0.4152%	0.4639%	$ 443.03	$ 5,316.40	$ 617.70	$ 7,412.45	$ 1,060.74	$ 12,728.85
4K	V	0/1	441		$730,000	0.4381%	0.3920%	0.4381%	$ 418.37	$ 5,020.41	$ 583.31	$ 6,999.77	$ 1,001.68	$ 12,020.18
4L	V	0/1	490		$820,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
4M	V	0/1	490		$800,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
4N	V	0/1	468		$700,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11
4O	V	0/1	453		$660,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
4P	V	1/1	724		$1,180,000	0.7192%	0.6436%	0.7192%	$ 686.84	$ 8,242.13	$ 957.64	$ 11,491.68	$ 1,644.48	$ 19,733.81
4R	V	1/1	750		$1,220,000	0.7450%	0.6667%	0.7450%	$ 711.51	$ 8,538.12	$ 992.03	$ 11,904.37	$ 1,703.54	$ 20,442.48
5A	V	1/1	662	62	$975,000	0.6730%	0.6023%	0.6730%	$ 642.73	$ 7,712.76	$ 896.13	$ 10,753.61	$ 1,538.86	$ 18,466.38
5B	V	1/1	698		$1,015,000	0.6933%	0.6205%	0.6933%	$ 662.18	$ 7,946.14	$ 923.25	$ 11,079.00	$ 1,585.43	$ 19,025.14
5C	V	1/1	542		$860,000	0.5384%	0.4818%	0.5384%	$ 514.18	$ 6,170.21	$ 716.91	$ 8,602.89	$ 1,231.09	$ 14,773.10
5D	V	1/1	538		$945,000	0.5344%	0.4783%	0.5344%	$ 510.39	$ 6,124.68	$ 711.62	$ 8,539.40	$ 1,222.01	$ 14,664.07
5E	V	1/1	592		$1,040,000	0.5880%	0.5263%	0.5880%	$ 561.62	$ 6,739.42	$ 783.04	$ 9,396.51	$ 1,344.66	$ 16,135.93
5F	V	0/1	378		$665,000	0.3755%	0.3360%	0.3755%	$ 358.60	$ 4,303.21	$ 499.98	$ 5,999.80	$ 858.58	$ 10,303.01
5G	V	0/1	398		$700,000	0.3953%	0.3538%	0.3953%	$ 377.57	$ 4,530.89	$ 526.44	$ 6,317.25	$ 904.01	$ 10,848.14
5H	V	0/1	500		$880,000	0.4967%	0.4445%	0.4967%	$ 474.34	$ 5,692.08	$ 661.35	$ 7,936.24	$ 1,135.69	$ 13,628.32
5J	V	0/1	467		$750,000	0.4639%	0.4152%	0.4639%	$ 443.03	$ 5,316.40	$ 617.70	$ 7,412.45	$ 1,060.74	$ 12,728.85
5K	V	0/1	441		$740,000	0.4381%	0.3920%	0.4381%	$ 418.37	$ 5,020.41	$ 583.31	$ 6,999.77	$ 1,001.68	$ 12,020.18
5L	RS	0/1	490		$810,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
5M	V	0/1	490		$800,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
5N	V	0/1	468		$665,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST		(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
5O	V	0/1	453		$640,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
5P	V	1/1	724		$1,080,000	0.7192%	0.6436%	0.7192%	$ 686.84	$ 8,242.13	$ 957.64	$ 11,491.68	$ 1,644.48	$ 19,733.81
5R	V	1/1	750		$1,150,000	0.7450%	0.6667%	0.7450%	$ 711.51	$ 8,538.12	$ 992.03	$ 11,904.37	$ 1,703.54	$ 20,442.48
6A	V	1/1	662	62	$985,000	0.6730%	0.6023%	0.6730%	$ 642.73	$ 7,712.76	$ 896.13	$ 10,753.61	$ 1,538.86	$ 18,466.38
6B	V	1/1	698		$1,025,000	0.6933%	0.6205%	0.6933%	$ 662.18	$ 7,946.14	$ 923.25	$ 11,079.00	$ 1,585.43	$ 19,025.14
6C	V	1/1	542		$870,000	0.5384%	0.4818%	0.5384%	$ 514.18	$ 6,170.21	$ 716.91	$ 8,602.89	$ 1,231.09	$ 14,773.10
6D	V	1/1	538		$955,000	0.5344%	0.4783%	0.5344%	$ 510.39	$ 6,124.68	$ 711.62	$ 8,539.40	$ 1,222.01	$ 14,664.07
6E	V	1/1	592		$1,050,000	0.5880%	0.5263%	0.5880%	$ 561.62	$ 6,739.42	$ 783.04	$ 9,396.51	$ 1,344.66	$ 16,135.93
6F	FM	0/1	378		$675,000	0.3755%	0.3360%	0.3755%	$ 358.60	$ 4,303.21	$ 499.98	$ 5,999.80	$ 858.58	$ 10,303.01
6G	RS	0/1	398		$710,000	0.3953%	0.3538%	0.3953%	$ 377.57	$ 4,530.89	$ 526.44	$ 6,317.25	$ 904.01	$ 10,848.14
6H	V	0/1	500		$890,000	0.4967%	0.4445%	0.4967%	$ 474.34	$ 5,692.08	$ 661.35	$ 7,936.24	$ 1,135.69	$ 13,628.32
6J	V	0/1	467		$752,000	0.4639%	0.4152%	0.4639%	$ 443.03	$ 5,316.40	$ 617.70	$ 7,412.45	$ 1,060.74	$ 12,728.85
6K	V	0/1	441		$745,000	0.4381%	0.3920%	0.4381%	$ 418.37	$ 5,020.41	$ 583.31	$ 6,999.77	$ 1,001.68	$ 12,020.18
6L	V	0/1	490		$820,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
6M	V	0/1	490		$805,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
6N	V	0/1	468		$675,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11
6O	V	0/1	453		$650,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
6P	V	1/1	724		$1,090,000	0.7192%	0.6436%	0.7192%	$ 686.84	$ 8,242.13	$ 957.64	$ 11,491.68	$ 1,644.48	$ 19,733.81
6R	V	1/1	750		$1,160,000	0.7450%	0.6667%	0.7450%	$ 711.51	$ 8,538.12	$ 992.03	$ 11,904.37	$ 1,703.54	$ 20,442.48
7A	V	1/1	662	62	$995,000	0.6730%	0.6023%	0.6730%	$ 642.73	$ 7,712.76	$ 896.13	$ 10,753.61	$ 1,538.86	$ 18,466.38
7B	V	1/1	698		$1,030,000	0.6933%	0.6205%	0.6933%	$ 662.18	$ 7,946.14	$ 923.25	$ 11,079.00	$ 1,585.43	$ 19,025.14
7C	V	1/1	542		$880,000	0.5384%	0.4818%	0.5384%	$ 514.18	$ 6,170.21	$ 716.91	$ 8,602.89	$ 1,231.09	$ 14,773.10
7D	V	1/1	538		$890,000	0.5344%	0.4783%	0.5344%	$ 510.39	$ 6,124.68	$ 711.62	$ 8,539.40	$ 1,222.01	$ 14,664.07
7E	V	1/1	592		$1,060,000	0.5880%	0.5263%	0.5880%	$ 561.62	$ 6,739.42	$ 783.04	$ 9,396.51	$ 1,344.66	$ 16,135.93
7F	V	0/1	378		$685,000	0.3755%	0.3360%	0.3755%	$ 358.60	$ 4,303.21	$ 499.98	$ 5,999.80	$ 858.58	$ 10,303.01
7G	V	0/1	398		$720,000	0.3953%	0.3538%	0.3953%	$ 377.57	$ 4,530.89	$ 526.44	$ 6,317.25	$ 904.01	$ 10,848.14
7H	V	0/1	500		$900,000	0.4967%	0.4445%	0.4967%	$ 474.34	$ 5,692.08	$ 661.35	$ 7,936.24	$ 1,135.69	$ 13,628.32
7J	V	0/1	467		$760,000	0.4639%	0.4152%	0.4639%	$ 443.03	$ 5,316.40	$ 617.70	$ 7,412.45	$ 1,060.74	$ 12,728.85
7K	V	0/1	441		$755,000	0.4381%	0.3920%	0.4381%	$ 418.37	$ 5,020.41	$ 583.31	$ 6,999.77	$ 1,001.68	$ 12,020.18
7L	V	0/1	490		$830,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST		(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
7M	V	0/1	490		$815,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
7N	V	0/1	468		$685,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11
7D	V	0/1	453		$660,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
7P	V	1/1	724		$1,100,000	0.7192%	0.6436%	0.7192%	$ 686.84	$ 8,242.13	$ 957.64	$ 11,491.68	$ 1,644.48	$ 19,733.81
7R	V	1/1	750		$1,170,000	0.7450%	0.6667%	0.7450%	$ 711.51	$ 8,538.12	$ 992.03	$ 11,904.37	$ 1,703.54	$ 20,442.48
8A	V	1/1	662	62	$1,000,000	0.6730%	0.6023%	0.6730%	$ 642.73	$ 7,712.76	$ 896.13	$ 10,753.61	$ 1,538.86	$ 18,466.38
8B	V	1/1	698		$1,040,000	0.6933%	0.6205%	0.6933%	$ 662.18	$ 7,946.14	$ 923.25	$ 11,079.00	$ 1,585.43	$ 19,025.14
8C	V	1/1	542		$890,000	0.5384%	0.4818%	0.5384%	$ 514.18	$ 6,170.21	$ 716.91	$ 8,602.89	$ 1,231.09	$ 14,773.10
8D	RS	1/1	538		$965,000	0.5344%	0.4783%	0.5344%	$ 510.39	$ 6,124.68	$ 711.62	$ 8,539.40	$ 1,222.01	$ 14,664.07
8E	V	1/1	592		$1,060,000	0.5880%	0.5263%	0.5880%	$ 561.62	$ 6,739.42	$ 783.04	$ 9,396.51	$ 1,344.66	$ 16,135.93
8F	FM	1/1	378		$685,000	0.3755%	0.3360%	0.3755%	$ 358.60	$ 4,303.21	$ 499.98	$ 5,999.80	$ 858.58	$ 10,303.01
8G	V	0/1	398		$730,000	0.3953%	0.3538%	0.3953%	$ 377.57	$ 4,530.89	$ 526.44	$ 6,317.25	$ 904.01	$ 10,848.14
8H	V	0/1	500		$910,000	0.4967%	0.4445%	0.4967%	$ 474.34	$ 5,692.08	$ 661.35	$ 7,936.24	$ 1,135.69	$ 13,628.32
8J	V	0/1	467		$770,000	0.4639%	0.4152%	0.4639%	$ 443.03	$ 5,316.40	$ 617.70	$ 7,412.45	$ 1,060.74	$ 12,728.85
8K	V	0/1	441		$765,000	0.4381%	0.3920%	0.4381%	$ 418.37	$ 5,020.41	$ 583.31	$ 6,999.77	$ 1,001.68	$ 12,020.18
8L	V	0/1	490		$840,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
8M	V	0/1	490		$825,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
8N	V	0/1	468		$695,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11
8D	V	0/1	453		$670,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
8P	V	1/1	724		$1,110,000	0.7192%	0.6436%	0.7192%	$ 686.84	$ 8,242.13	$ 957.64	$ 11,491.68	$ 1,644.48	$ 19,733.81
8R	RS	0/1	750		$1,180,000	0.7450%	0.6667%	0.7450%	$ 711.51	$ 8,538.12	$ 992.03	$ 11,904.37	$ 1,703.54	$ 20,442.48
9A	V	1/1	662	62	$1,010,000	0.6730%	0.6023%	0.6730%	$ 642.73	$ 7,712.76	$ 896.13	$ 10,753.61	$ 1,538.86	$ 18,466.38
9B	V	1/1	698		$1,050,000	0.6933%	0.6205%	0.6933%	$ 662.18	$ 7,946.14	$ 923.25	$ 11,079.00	$ 1,585.43	$ 19,025.14
9C	V	1/1	542		$815,000	0.5384%	0.4818%	0.5384%	$ 514.18	$ 6,170.21	$ 716.91	$ 8,602.89	$ 1,231.09	$ 14,773.10
9D	V	1/1	538		$975,000	0.5344%	0.4783%	0.5344%	$ 510.39	$ 6,124.68	$ 711.62	$ 8,539.40	$ 1,222.01	$ 14,664.07
9E	V	1/1	592		$1,070,000	0.5880%	0.5263%	0.5880%	$ 561.62	$ 6,739.42	$ 783.04	$ 9,396.51	$ 1,344.66	$ 16,135.93
9F	V	1/1	378		$695,000	0.3755%	0.3360%	0.3755%	$ 358.60	$ 4,303.21	$ 499.98	$ 5,999.80	$ 858.58	$ 10,303.01
9G	V	0/1	398		$740,000	0.3953%	0.3538%	0.3953%	$ 377.57	$ 4,530.89	$ 526.44	$ 6,317.25	$ 904.01	$ 10,848.14
9H	V	0/1	500		$920,000	0.4967%	0.4445%	0.4967%	$ 474.34	$ 5,692.08	$ 661.35	$ 7,936.24	$ 1,135.69	$ 13,628.32
9J	V	0/1	467		$780,000	0.4639%	0.4152%	0.4639%	$ 443.03	$ 5,316.40	$ 617.70	$ 7,412.45	$ 1,060.74	$ 12,728.85
9K	V	0/1	441		$775,000	0.4381%	0.3920%	0.4381%	$ 418.37	$ 5,020.41	$ 583.31	$ 6,999.77	$ 1,001.68	$ 12,020.18
9L	V	0/1	490		$850,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
9M	V	0/1	490		$835,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
9N	V	0/1	468		$705,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11
9D	RS	0/1	453		$675,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
9P	RS	1/1	724		$1,150,000	0.7192%	0.6436%	0.7192%	$ 686.84	$ 8,242.13	$ 957.64	$ 11,491.68	$ 1,644.48	$ 19,733.81

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST		(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
9R	V	0/1	750		$1,200,000	0.7450%	0.6667%	0.7450%	$ 711.51	$ 8,538.12	$ 992.03	$ 11,904.37	$ 1,703.54	$ 20,442.48
10A	V	1/1	662	62	$1,100,000	0.6730%	0.6023%	0.6730%	$ 642.73	$ 7,712.76	$ 896.13	$ 10,753.61	$ 1,538.86	$ 18,466.38
10B	V	1/1	698		$1,060,000	0.6933%	0.6205%	0.6933%	$ 662.18	$ 7,946.14	$ 923.25	$ 11,079.00	$ 1,585.43	$ 19,025.14
10C	V	1/1	542		$825,000	0.5384%	0.4818%	0.5384%	$ 514.18	$ 6,170.21	$ 716.91	$ 8,602.89	$ 1,231.09	$ 14,773.10
10D	V	1/1	538		$985,000	0.5344%	0.4783%	0.5344%	$ 510.39	$ 6,124.68	$ 711.62	$ 8,539.40	$ 1,222.01	$ 14,664.07
10E	V	1/1	592		$1,080,000	0.5880%	0.5263%	0.5880%	$ 561.62	$ 6,739.42	$ 783.04	$ 9,396.51	$ 1,344.66	$ 16,135.93
10F	V	0/1	378		$705,000	0.3755%	0.3360%	0.3755%	$ 358.60	$ 4,303.21	$ 499.98	$ 5,999.80	$ 858.58	$ 10,303.01
10G	RS	0/1	398		$750,000	0.3953%	0.3538%	0.3953%	$ 377.57	$ 4,530.89	$ 526.44	$ 6,317.25	$ 904.01	$ 10,848.14
10H	V	0/1	500		$930,000	0.4967%	0.4445%	0.4967%	$ 474.34	$ 5,692.08	$ 661.35	$ 7,936.24	$ 1,135.69	$ 13,628.32
10J	V	0/1	467		$790,000	0.4639%	0.4152%	0.4639%	$ 443.03	$ 5,316.40	$ 617.70	$ 7,412.45	$ 1,060.74	$ 12,728.85
10K	V	0/1	441		$785,000	0.4381%	0.3920%	0.4381%	$ 418.37	$ 5,020.41	$ 583.31	$ 6,999.77	$ 1,001.68	$ 12,020.18
10L	V	0/1	490		$860,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
10M	RS	0/1	490		$845,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
10N	V	0/1	468		$715,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11
10O	V	0/1	453		$710,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
10P	V	1/1	724		$1,160,000	0.7192%	0.6436%	0.7192%	$ 686.84	$ 8,242.13	$ 957.64	$ 11,491.68	$ 1,644.48	$ 19,733.81
10R	V	1/1	750		$1,210,000	0.7450%	0.6667%	0.7450%	$ 711.51	$ 8,538.12	$ 992.03	$ 11,904.37	$ 1,703.54	$ 20,442.48
11A	V	1/1	662	62	$1,030,000	0.6730%	0.6023%	0.6730%	$ 642.73	$ 7,712.76	$ 896.13	$ 10,753.61	$ 1,538.86	$ 18,466.38
11B	V	1/1	698		$1,070,000	0.6933%	0.6205%	0.6933%	$ 662.18	$ 7,946.14	$ 923.25	$ 11,079.00	$ 1,585.43	$ 19,025.14
11C	V	1/1	542		$835,000	0.5384%	0.4818%	0.5384%	$ 514.18	$ 6,170.21	$ 716.91	$ 8,602.89	$ 1,231.09	$ 14,773.10
11D	V	1/1	538		$995,000	0.5344%	0.4783%	0.5344%	$ 510.39	$ 6,124.68	$ 711.62	$ 8,539.40	$ 1,222.01	$ 14,664.07

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST		(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
11E	V	1/1	592		$1,090,000	0.5880%	0.5263%	0.5880%	$ 561.62	$ 6,739.42	$ 783.04	$ 9,396.51	$ 1,344.66	$ 16,135.93
11F	V	0/1	378		$715,000	0.3755%	0.3360%	0.3755%	$ 358.60	$ 4,303.21	$ 499.98	$ 5,999.80	$ 858.58	$ 10,303.01
11G	V	0/1	398		$760,000	0.3953%	0.3538%	0.3953%	$ 377.57	$ 4,530.89	$ 526.44	$ 6,317.25	$ 904.01	$ 10,848.14
11H	V	0/1	500		$940,000	0.4967%	0.4445%	0.4967%	$ 474.34	$ 5,692.08	$ 661.35	$ 7,936.24	$ 1,135.69	$ 13,628.32
11J	V	0/1	467		$800,000	0.4639%	0.4152%	0.4639%	$ 443.03	$ 5,316.40	$ 617.70	$ 7,412.45	$ 1,060.74	$ 12,728.85
11K	V	0/1	441		$790,000	0.4381%	0.3920%	0.4381%	$ 418.37	$ 5,020.41	$ 583.31	$ 6,999.77	$ 1,001.68	$ 12,020.18
11L	V	0/1	490		$870,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
11M	V	0/1	490		$855,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
11N	V	0/1	468		$725,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11
11O	V	0/1	453		$715,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
11P	RS	1/1	724		$1,170,000	0.7192%	0.6436%	0.7192%	$ 686.84	$ 8,242.13	$ 957.64	$ 11,491.68	$ 1,644.48	$ 19,733.81
11R	V	1/1	750		$1,220,000	0.7450%	0.6667%	0.7450%	$ 711.51	$ 8,538.12	$ 992.03	$ 11,904.37	$ 1,703.54	$ 20,442.48
12A	V	1/1	662	62	$1,035,000	0.6730%	0.6023%	0.6730%	$ 642.73	$ 7,712.76	$ 896.13	$ 10,753.61	$ 1,538.86	$ 18,466.38
12B	V	1/1	698		$1,080,000	0.6933%	0.6205%	0.6933%	$ 662.18	$ 7,946.14	$ 923.25	$ 11,079.00	$ 1,585.43	$ 19,025.14
12C	V	1/1	542		$825,000	0.5384%	0.4818%	0.5384%	$ 514.18	$ 6,170.21	$ 716.91	$ 8,602.89	$ 1,231.09	$ 14,773.10
12D	V	1/1	538		$1,005,000	0.5344%	0.4783%	0.5344%	$ 510.39	$ 6,124.68	$ 711.62	$ 8,539.40	$ 1,222.01	$ 14,664.07
12E	V	1/1	592		$1,100,000	0.5880%	0.5263%	0.5880%	$ 561.62	$ 6,739.42	$ 783.04	$ 9,396.51	$ 1,344.66	$ 16,135.93
12F	V	0/1	378		$725,000	0.3755%	0.3360%	0.3755%	$ 358.60	$ 4,303.21	$ 499.98	$ 5,999.80	$ 858.58	$ 10,303.01
12G	V	0/1	398		$770,000	0.3953%	0.3538%	0.3953%	$ 377.57	$ 4,530.89	$ 526.44	$ 6,317.25	$ 904.01	$ 10,848.14
12H	V	0/1	500		$950,000	0.4967%	0.4445%	0.4967%	$ 474.34	$ 5,692.08	$ 661.35	$ 7,936.24	$ 1,135.69	$ 13,628.32
12J	V	0/1	467		$805,500	0.4639%	0.4152%	0.4639%	$ 443.03	$ 5,316.40	$ 617.70	$ 7,412.45	$ 1,060.74	$ 12,728.85
12K	V	0/1	441		$800,000	0.4381%	0.3920%	0.4381%	$ 418.37	$ 5,020.41	$ 583.31	$ 6,999.77	$ 1,001.68	$ 12,020.18
12L	V	0/1	490		$880,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
12M	V	0/1	490		$865,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
12N	V	0/1	468		$735,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11
12O	V	0/1	453		$725,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
12P	V	1/1	724		$1,180,000	0.7192%	0.6436%	0.7192%	$ 686.84	$ 8,242.13	$ 957.64	$ 11,491.68	$ 1,644.48	$ 19,733.81
12R	FM	1/1	750		$1,510,000	0.7450%	0.6667%	0.7450%	$ 711.51	$ 8,538.12	$ 992.03	$ 11,904.37	$ 1,703.54	$ 20,442.48
PHA	RS	1/1	662	62	$1,330,000	0.6730%	0.6023%	0.6730%	$ 642.73	$ 7,712.76	$ 896.13	$ 10,753.61	$ 1,538.86	$ 18,466.38
PHB	RS	1/1	698		$1,400,000	0.6933%	0.6205%	0.6933%	$ 662.18	$ 7,946.14	$ 923.25	$ 11,079.00	$ 1,585.43	$ 19,025.14
PHC	RS	1/1	542		$1,085,000	0.5384%	0.4818%	0.5384%	$ 514.18	$ 6,170.21	$ 716.91	$ 8,602.89	$ 1,231.09	$ 14,773.10
PHD	V	1/1	538		$1,100,000	0.5344%	0.4783%	0.5344%	$ 510.39	$ 6,124.68	$ 711.62	$ 8,539.40	$ 1,222.01	$ 14,664.07
PHE	V	1/1	592		$1,200,000	0.5880%	0.5263%	0.5880%	$ 561.62	$ 6,739.42	$ 783.04	$ 9,396.51	$ 1,344.66	$ 16,135.93
PHF	V	0/1	378		$760,000	0.3755%	0.3360%	0.3755%	$ 358.60	$ 4,303.21	$ 499.98	$ 5,999.80	$ 858.58	$ 10,303.01
PHG	V	0/1	398		$810,000	0.3953%	0.3538%	0.3953%	$ 377.57	$ 4,530.89	$ 526.44	$ 6,317.25	$ 904.01	$ 10,848.14
PHH	V	0/1	500		$1,010,000	0.4967%	0.4445%	0.4967%	$ 474.34	$ 5,692.08	$ 661.35	$ 7,936.24	$ 1,135.69	$ 13,628.32

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST		(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
PHJ	FM	0/1	467		$945,000	0.4639%	0.4152%	0.4639%	$ 443.03	$ 5,316.40	$ 617.70	$ 7,412.45	$ 1,060.74	$ 12,728.85
PHK	V	0/1	441		$900,000	0.4381%	0.3920%	0.4381%	$ 418.37	$ 5,020.41	$ 583.31	$ 6,999.77	$ 1,001.68	$ 12,020.18
PHL	V	0/1	490		$1,000,000	0.4867%	0.4356%	0.4867%	$ 464.85	$ 5,578.24	$ 648.13	$ 7,777.52	$ 1,112.98	$ 13,355.75
PHM (D)	V	0/2	965		$1,950,000	0.9585%	0.8579%	0.9585%	$ 915.48	$ 10,985.71	$ 1,276.41	$ 15,316.95	$ 2,191.89	$ 26,302.66
PHN	V	0/1	468		$945,000	0.4649%	0.4161%	0.4649%	$ 443.98	$ 5,327.78	$ 619.03	$ 7,428.32	$ 1,063.01	$ 12,756.11

SCHEDULE A

254 PARK AVENUE SOUTH CONDOMINUM
254 PARK AVENUE SOUTH
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION - JULY 1, 2007 - JUNE 30, 2008

(1) UNIT	UNIT STATUS	NO OF BEDROOMS/ BATHS	(1,2) APPROX UNIT SQUARE FOOTAGE	(1,2) APPROX TERRACE SQUARE FOOTAGE	(3) OFFERING PRICE	(4,5) RESIDENTIAL COMMON INTEREST	(4,5) COMMON INTEREST		(6) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL COMMON CHARGES	(7) PROJECTED MONTHLY RE TAXES	(7) PROJECTED ANNUAL RE TAXES	PROJECTED TOTAL MONTHLY CARRYING CHARGES	PROJECTED TOTAL ANNUAL CARRYING CHARGES
PHO	V	0/1	453		$910,000	0.4500%	0.4027%	0.4500%	$ 429.75	$ 5,157.02	$ 599.19	$ 7,190.24	$ 1,028.94	$ 12,347.26
PHP	V	1/1	724		$1,450,000	0.7192%	0.6436%	0.7192%	$ 686.84	$ 8,242.13	$ 957.64	$ 11,491.68	$ 1,644.48	$ 19,733.81
PHR (D)	V	1/1	944		$1,890,000	0.9377%	0.8392%	0.9377%	$ 895.55	$ 10,746.64	$ 1,248.64	$ 14,983.63	$ 2,144.19	$ 25,730.27
RES TOTAL			**100,450**	**892**	**$ 167,536,500**	**100.0000%**	**89.4982%**	**100.0000%**	**$ 95,506.42**	**$ 1,146,077.00**	**$ 133,160.92**	**$ 1,597,931.00**	**$ 228,667.33**	**$ 2,744,008.00**
COMMERCIAL			11,813				10.5018%		$ 1,494.67	$ 17,936.00	$ 4,176.58	$ 50,119.00	$ 5,671.25	$ 68,055.00
GRAND TOTAL			**112,263**	**892**	**$ 167,536,500**	**100.0000%**	**100.0000%**		**$ 97,001.08**	**$ 1,164,013.00**	**$ 137,337.50**	**$ 1,648,050.00**	**$ 234,338.58**	**$ 2,812,063.00**

The Symbol used in the Schedule A have the following meaning:
RM denotes Resident Manager's Unit
D denotes Duplex
FM denotes Fair Market
RS denotes Rent Stabilized
V denotes Vacant

NOTE: Since the Resident Manager's Unit, RM, is a General Common Element for budget purposes, General Common Expenses will be apportioned to the Units based on the Percentage of Common Interest.

Notes to Schedule A

1. Any floor plan or sketch shown to a prospective purchaser including those set forth in the Plan, is only an approximation of the dimensions and layout of each Unit. The actual layout of a Unit may have been altered by the tenants thereof or by others, including without limitation, installation and/or relocation of interior walls. Consequently, Sponsor makes no representation, warranty or guarantee as to whether any of said alterations were completed in compliance with all applicable governmental laws and regulations. The Units are being sold "as is" in the condition in which they exist at the time a purchaser signs a Purchase Agreement (subject to ordinary wear and tear). Each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. Purchasers should note that the square footage of each Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan is approximate and may change upon remeasurement. No such variation will affect a Purchaser's obligations under a Purchase Agreement or the Plan unless the net footage area of the Unit is diminished by more than 5%. Sponsor's sole obligation if the net square foot area is diminished by more than 5% shall be to refund to Purchaser the Down Payment made under the Purchase Agreement and any interest earned thereon. Sponsor has reserved the right to negotiate with individual Purchasers other than Tenant Purchasers for whom such negotiation would constitute a discriminatory inducement, to perform special work in a Unit which may require a modification in floor plans for certain Units. Any such modification requiring a material change in the Common Elements will only be made by a duly filed amendment.

2. The approximate floor area of each Unit and/or common element will be measured from the exterior side of the glass windows or the façade or the exterior building walls, at the building line and/or property line enclosing the Unit and/or common element, or from the midpoint of the interior walls and partitions separating the Unit and/or common element from other Unit and/or common elements. Columns and mechanical pipes (whether along the perimeter or within the Unit and/or common elements) are not deducted from the square foot area of the Unit and/or common element. The exterior chimney has not been included in any of the areas. The vertical measurements of each Unit and/or the common elements are from the lowest concrete floor to the underside of the highest ceiling. As is customary in New York, these square foot areas exceed the usable floor area of each Unit. Certain Units may have less clearance and certain rooms within other Units may have a lesser clearance as the result of the presence of beams and mechanical spaces in such Units. Reference should be made to the Sections entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Units Occupied by Non-Purchasing Tenants." Certain of the Units are subject to the Rent Laws as noted in Schedule A.

3. Each Tenant Purchaser has the exclusive right to purchase his or her Unit for a period of 90 days from the Presentation Date of this Plan at the prices set forth on Schedule A for Tenant Purchasers. THESE PRICES HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY. The purchase prices and other terms of sale of Residential Units may be negotiated by Sponsor and, therefore, may be changed. No such change will be made other than

pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the purchase price or modification of such other terms of sale does not constitute a general offering or an advertised price but is rather the result of an individually negotiated transaction (see the section of the Plan entitled "Changes in Prices and Units"). In addition to the purchase price, Purchaser will be responsible at Closing for certain closing costs as explained in the Section entitled "Closing Costs and Adjustments" in Part I of the Plan including, without limitation, the obligation to contribute one month's common charges to the working capital fund of the Condominium. Purchasers are advised to consult with their attorneys as to the exact closing costs they will incur in purchasing their Units.

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

(b) The percent interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Residential Unit bears to the aggregate Common Interests of all Residential Units.

5. The Percentage of Common Interests applicable to each Unit in a particular section of the Building. The percentages were allocated among the sections based on relative value, as permitted by Real Property Law §339-i.

6. The estimates contained in this schedule were computed by Sponsor's Condominium Budget Expert on the assumption that the first year of Condominium operation will be the year from July 1, 2007 through June 30, 2008, and are based on such Condominium Budget Expert's estimate of the receipts and expenses of the Residential Section for the projected year. The actual first year of Condominium operation may be earlier or later than such year. If the actual or anticipated date of commencement of condominium operation is delayed by more than six (6) months from the commencement of the projected first year of condominium operation, Sponsor will amend the Plan to include a revised budget disclosing current projections. If such amended projections exceed original projections by twenty-five (25%) percent or more, Sponsor will offer all purchasers the right to rescind for a period of fifteen (15) days after the date of the presentation of the amendment setting forth the right to rescind.

The estimated monthly Residential Common Charges for each Residential Unit are based on the Schedule B - Projected Budget for First Year of Condominium Operation prepared by Sponsor's Condominium Budget Expert. The estimated monthly Residential Common Charges include the cost of central heating for the Units. In addition to these estimated payments, each Residential Unit Owner will be responsible for real estate taxes for such Residential Unit, mortgage payments under a loan or loans, if any, obtained to finance the purchase of the Residential Unit, the cost of electricity and gas supplied to the Residential Unit which will be separately submetered and payable by the Unit Owner to the Condominium Board, the insurance which must be carried by each Residential Unit Owner with respect to liability and casualty to the contents of the Unit and the cost of interior repairs and decorations to the Residential Unit. Until the Units are separately assessed, real estate taxes shall be part of Common Expenses, as provided in the Condominium By-Laws. In addition, capital repairs, additions, improvements, alterations and restorations to Residential Section are Residential Common Expenses which will be borne solely by the Residential Unit Owners.

7. The aggregate monthly rents payable from tenants of all occupied units is $56,233.07.

8. The New York City real estate taxes for the first year of Condominium operation following the First Closing (July 1, 2007 through June 30, 2008) of $1,597,931 for the residential units and $51,228 for the non-residential units , are determined by taking the transitional assessed valuation for the residential portion of the property for 2007/08 of $12,636,700 and using projected tax rates for the Units. These figures assume an approximately 2% increase in the actual assessment in the 2007/08 tax year. The non-residential assessment is projected at $444,180 for the 2007/08 tax year. The assessments for 2007/08 and tax rates for the 2006/07 and the 2007/08 tax year have not been set, are estimates only and are subject to the disclaimers contained in the hereinafter paragraphs.

The value of the Property for real estate tax purposes is determined annually by the Real Property Assessment Department of the City of New York. Under current New York State Law, Increases or decreases in a property's assessed valuation due to changes in its market value are to be phased in over 5 years in equal annual increments of 20%. Any further increase or decrease in the assessed value during such 5 year period resulting from a still higher or lower market value is to be similarly phased in over an additional 5 year period from the date of such increase. The full increased or the decreased assessed value targeted to be paid at the end of 5 years is called the "actual assessed valuation". The amount of assessed value reflecting the phased in increases or decreases is called the "transitional assessed valuation". Taxes are paid on the lower of the Transitional Assessed Valuation or the Actual Assessed Valuation". The assessed valuations and tax rates for the 2003/2004 and subsequent tax years are as follows:

Tax Year	Class II (Residential) Tax Rate per $100 of Assessed Valuation	Transitional Assessed Valuation	Actual Assessed Valuation
2003/2004	12.620	$10,485,000	$12,375,000
2004/2005	12.216	$11,214,000	$11,970,000
2005/2006	12.396	$12,294,000	$14,535,000
2006/2007	12.520	$12,753,000	$12,870,000
2007/2008	12.645	$12,975,480 (est)	$13,127,400 (est)

The above analysis of the Transitional Assessed Valuation assumes that there are no changes to Actual Assessed Valuation due to a physical alteration or improvement to the building. The portion of an increase in the Actual Assessed Valuation which is due to physical alterations or improvements is not phased in over a five year period, but is realized fully in Transitional Assessment in year in which it is assessed.

No representation is made or warranty given as to: (a) whether or not there will be (i) a further increase or decrease in the assessed valuation of the Property during the five year phase-in period, or (ii) an increase in the tax rate, or (iii) an increase or decrease in the assessed valuation of the Property by reason of the conversion of the Property to condominium ownership or (b) the method of determining the assessed valuation, or (c) the amount of any increase or decrease in the assessed valuation of the Property. A Purchaser purchasing a Unit after the projected first year of Condominium operation should check the public tax records to confirm the then current taxes for the Property.

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

The real estate tax estimates for each Unit were calculated on the assumption that the real estate taxes for the Building payable with respect to each Unit for the first year of Condominium operation will be allocated in proportion to each Unit's percentage interest in the Common Elements. Upon determination of individual tax lots and individual Unit assessments, the New York City tax authorities has allocated taxes between the Units in proportion to each Unit's purchase price or imputed market value rather than its percentage interest in the Common Elements, and, if so, Units having the same or similar percentage interest which are determined to have a higher purchase price or market value will pay higher real estate taxes that are reflected on Schedule A. After the Condominium is divided into individual tax lots and separately assessed, each Unit will be taxed as a separate lax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment for nor will the Unit be subject to, any lien arising from the

non-payment of taxes on other Units. Until the Units are separately assessed, the Condominium Board will pay all real estate taxes with respect to the property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest. See the Section of the Plan entitled "Real Estate Taxes" for further discussion.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method to be employed by the New York City tax assessor in allocating individual Unit assessments; (ii) of the assessed values during the first year of Condominium operation, and (iii) of the tax rates for the first year of Condominium operation. Purchasers should note that given the current fiscal situation in the City of New York, real estate taxes may have to increase significantly. Sponsor makes no representations regarding levels of assessment or taxation in future years.

SCHEDULE B

PROJECTED BUDGET FOR

FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE "B"
254 Park Avenue South Condominium
Projected Budget for the First Full Year of Condominium Operation
July 1, 2007 – June 30, 2008

PROJECTED INCOME:

Common Charges (1).....	
Residential Unit Common Charges.....	$1,110,418
Commercial Unit Common Charges.....	$ 53,595
Laundry Income (2).....	$ 12,299
TOTAL PROJECTED INCOME.....	$1,176,312

PROJECTED EXPENSES:

Salary, Wages, Payroll Taxes & Benefits (3).....	$ 290,814
Heat, Hot Water, and Cooking Gas (4)	$ 200,200
Electricity (5).....	$ 80,256
Water & Sewer (6).....	$ 75,852
Repairs & Maintenance (7).....	$ 50,000
Services & Supplies (8).....	$ 58,300
Insurance (9).....	$ 68,565
Management Fee (10).....	$ 85,000
Legal & Auditing Fees (11).....	$ 14,000
Resident Manager Unit Costs (12).....	$ 213,325
Administration (13).....	$ 20,000
Contingency (14).....	$ 20,000
TOTAL PROJECTED EXPENSES (15).....	$1,176,312

The accompanying notes are an integral part of this Schedule B and should be read in conjunction herewith

Notes to Schedule B

(1) COMMON CHARGES - (Budget - $1,176,312)

The estimated Common Charges to be collected from Unit Owners during the first year of Condominium operation are based upon the assumption that the first year of Condominium operation will be the twelve months commencing July 1, 2007. The actual first year of operation may be earlier or later.

The allocation for the General Common Expenses to be borne by the Commercial Unit, has been allocated on the basis of the Commercial Unit's respective Percentage of Common Interest, 10.5018%.

	Condominium Total	Residential Unit	Commercial Unit
Projected Income			
Common Charges (1)			
Residential Unit Common Charges	$1,110,418	$1,110,418	$
Commercial Unit Common Charges	$ 53,595		$ 53,595
Laundry Income (2)	$ 12,299	$ 12,299	$
Total Projected Income	$1,176,312	$1,122,717	$ 53,595
Projected Expenses			
Salary, Wages, Payroll Taxes (3) & Benefits	$ 290,814	$ 289,741	$ 1,073
Heat, Hot Water, and Cooking Gas (4)	$ 200,200	$ 179,175	$ 21,025
Electricity (5)	$ 80,256	$ 79,413	$ 843
Water & Sewer (6)	$ 75,852	$ 75,852	$ ---
Repairs & Maintenance (7)	$ 50,000	$ 44,749	$ 5,251
Services & Supplies (8)	$ 58,300	$ 56,935	$ 1,365
Insurance (9)	$ 68,565	$ 61,364	$ 7,201
Management Fee (10)	$ 85,000	$ 76,073	$ 8,927
Legal & Auditing Fees (11)	$ 14,000	$ 12,530	$ 1,470
Resident Manager Unit Costs (12)	$ 213,325	$ 211,085	$ 2,240
Administration (13)	$ 20,000	$ 17,900	$ 2,100
Contingency (14)	$ 20,000	$ 17,900	$ 2,100
Total First Year Budget	$1,176,312	$1,122,717	$ 53,595

In the event the projected commencement date of the first year of Condominium operation is to be delayed more than six (6) months from the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. Sponsor will not declare the plan effective if any material changes to the budget are not yet disclosed in an amendment to the plan.

If the Common Charges in the revised budget projections exceed the earlier budget projections by twenty-five percent (25%) or more, the Sponsor will offer all purchasers the right to rescind their Purchase Agreements and have their Deposits refunded to them, whether or not the Sponsor offers to guarantee the earlier budget projections.

(2) LAUNDRY INCOME – (Budget - $12,299)

Based on the current laundry lease agreement with Automatic Industries, it is anticipated that the Condominium will receive $12,299 in annual laundry rent. The washers are metered at $1.50 and the dryers at $1.50 per 45 minutes cycle.

(3) SALARIES, WAGES, PAYROLL TAXES & BENEFITS - (Budget - $290,814)

The budgeted amount includes base wages, worker's compensation and disability insurance, welfare and costs, payroll taxes and the cost of sick days, holidays and vacation pay for a projected shared building staff of 1 Resident Superintendent, 2 porters, 4 doormen. The projected level of staffing for the Building complies with all applicable housing and labor laws. It is anticipated that such employees will be non union members.

Position	Weekly Base Wage Rate
(1) Resident Superintendent	$866.16, per week plus free telephone, electric, gas
(1) Porter	$447.12, per week
(1) Porter	$454.90, per week
1 Doorman	$492.05, per week
1 Doorman	$432.00, per week
1 Doorman	$430.70, per week
1 Doorman	$410.40, per week

The projections allow for 49 sick days, holidays and vacation pay and miscellaneous payroll expenses.

Total Base Wages	$204,524
FICA @ 7.65% of Base Wages	$ 15,646
Worker's Compensation @ 5.5% of total wages	$ 11,249
FUI and FUTA-NYS Unemployment, @ $425 per employee	$ 2,975
NYS Disability @ $60 per employee	$ 420
Health Benefits @ $8,000 per employee	$ 56,000
Total Benefit	$ 86,290
Total Wages, Taxes, & Benefits	$290,814

The employer's will be devoting a substantial portion of their time and effort to service the Residential Units and Residential Common Elements except that a small portion of the Resident Superintendent and one porter's time estimated 10% (ten percent) or 4 hours per week will be devoted to the General Common Elements. Accordingly, salaries and related expenses have been allocated to the Residential Unit's except for the time charged to the General Common Elements ($10,217) that has been apportioned to all Unit's within the Condominium based upon each Unit's respective Percentage of Common Interest.

(4) HEAT AND HOT WATER - (Budget - $200,200)

The amount budgeted is based on an analysis of gas usage for heat and hot water. The cost for 2002 was approximately $73,640 for 2003, $99,908 and for 2004, $175,000. From December 15, 2005 through October 13, 2006 the number of therms utilized was 93,131 at a cost of $1.60 per therm for a total cost of $146,186. It is anticipated that the consumption for gas for heat and hot water for the first year of Condominium operation will be approximately 113,750 therms at an average price of $1.60 per therm for a total cost of $182,000. A 10% inflation factor has been added. The Commercial Unit will pay its pro-rata share of the expense based on it's Common Interest Percentage. The prior owner did not provide consumption amounts for previous years.

(5) ELECTRICITY - (Budget - $80,256)

The budgeted amount for electricity consumption during the first year of Condominium operation was determined by a comparison of the cost and usage of electricity for 2002, 2003, and 2004. The Common area cost of electricity for 2002, 2003 and 2004 was $116,943, $98,138, and $70,000 respectively. For the period 12/20/05 – 10/13/06 the average cost was $.174 per kwh at an average usage of 311,640 kw for an average cost of $54,225. It is anticipated that for the first year of Condominium Operation, the electric cost will be approximately 384,000 kw at $.19 per kwh for a total cost of $72,960 A 10% inflation factor has been added. The prior owner did not provide consumption amounts for previous years.

These costs are only the estimated electricity costs for the Common Elements within the building and have been allocated 90 percent to the Residential Common Element and charged to the Residential Units, with the remaining 10 percent allocated to the General Common Elements within the Condominium and allocated to each unit based upon each Unit's Common Interest Percentage.

Each unit will be individually metered for electricity usage within their own units.

(6) WATER & SEWER – (Budget - $75,852)

This figure is based on an analysis of water and sewer costs for 2002, 2003, 2004/2005 and 2005/2006. The water and sewer charges for 2002 and 2003 were $55,231, and $170,871 respectively. The water and sewer costs for August, 2004 through July, 2005 was an average usage of 13,870 ccf at an average price of $4.159 per ccf for a total average cost of approximately $58,000. The usage for August 2005 through July 2006 was 13,566 ccf at an average cost of $4.33 per ccf for a total annual cost of approximately $59,100. It is anticipated that the annual water and sewer charges during the first year of condominium operation is estimated at 14,000 ccf at $5.16 per ccf for a total cost of $72,226. A 5% inflation factor has been added. The prior owner did not provide consumption amounts for previous years.

The Commercial Unit will be separately sub-metered or metered for water and sewer and will pay the cost of water and sewer usage directly to the condominium or taxing authority.

(7) REPAIRS & MAINTENANCE – (Budget - $50,000)

The budgeted figure for this item includes the cost of normal maintenance and repairs to the Common Elements of the Building that are the responsibility of the Condominium. Each Unit Owner will be responsible for the cost of the interior maintenance, repairs, decoration and painting of their respective units, including the appliances, incremental heating/air-conditioning units and any Limited Residential Common Elements appurtenant thereto.

No major capital repairs are included in the First Year's Budget. Future major capital repairs to the Common Elements will be borne by all Unit Owners. Repairs and Maintenance have been allocated to all Units based upon each unit's respective Percentage of Common Interest.

(8) SERVICE & SUPPLIES - (Budget - $58,300)

The budgeted amount includes the cost of cleaning equipment and miscellaneous supplies for the Common Elements, as well as the anticipated cost of service contracts during the first year of Condominium operation.

The budgeted amounts are based upon the experience of the Sponsor's budget expert in operating similar buildings. While this Schedule B includes a reasonable allowance for possible increases in cost that may occur prior to and during the first year of Condominium operations, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

It is projected that the Condominium will enter into maintenance agreements for the following services:

Elevator Maintenance (Dynamic Elevator Corp.)	$ 15,000
Exterminator (Western Pest Services)	$ 10,500
Uniform Cleaning & Maintenance	$ 6,000
Miscellaneous Supplies	$ 25,000
Water Treatment (Elite Service Systems, Inc.)	$ 1,800

The cost for services relating to the, exterminator and $2,500 of the $25,000 in supplies for General Common Element maintenance have been allocated to all units within the Condominium based upon each unit's respective Percentage of Common Interest.

(9) INSURANCE – (Budget - $68,565)

Based upon the proposal dated February 16, 2006 from the Rampart Group having an office address at 1983 Marcus Avenue, Lake success, New York . The following insurance coverage will be obtained for the Building for the first year of Condominium operation:

A Comprehensive Condominium Package Policy, including Boiler & Machinery and Water Damage, with the following General Coverage and Limits:

Property Policy

$22,200,000 Building "All Risk", Special Form, Agreed Amount, No Co-insurance, Replacement Cost, $5,000 Deductible, Terrorism Included

T/B/D	Business Income Limit
T/B/D	Personal Property Limit
Included	Boiler & Machinery

General Liability Policy

$1,000,000	Each Occurrence
$2,000,000	General Aggregate
$1,000,000	Personal & Advertising Injury
$1,000,000	Fire Damage, Legal Liability
$1,000,000	Employee Benefits Liability - $1,000 Deductible
$ 5,000	Medical Payments
$1,000,000	Non-Owned Automobile/Hired Car
$1,000,000	Directors & Officers Liability – Occ/Ann Aggregate

Umbrella Liability

$50,000,000	Per Occurrence
$50,000,000	Aggregate

The annual premium for the above mentioned insurance policy is estimated to be $68,565.

The insurance costs are for the entire Condominium and have been allocated to all units within the Condominium based upon each unit's respective Percentage of Common Interest.

The fire, casualty and general liability insurance carried by the Condominium will provide that each unit owner is an additional insured party; that there will be no cancellation without notice to the Condominium Board and Permitted Mortgagees; a waiver of subrogation; a waiver of invalidity because of the acts of the insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

Each individual Unit Owner should consider the desirability of obtaining additional insurance at his own cost for the following coverage, which is not included in the above coverage:

- fire or casualty losses to the contents of his unit and any replacements, additions, upgraded fixtures and improvements therein; and

- liability for personal injury or property damage as a result of occurrences in his Unit, including water damage legal liability to cover damage arising from leaks or other conditions within the Unit.

(10) MANAGEMENT FEE - (Budget - $85,000)

At or prior to the First Closing, the Condominium will enter into a management agreement with Penmark Realty Corp., having an office address at 820 Second Avenue, New York 10017 a real estate management firm. The agreement will be for an initial term of 2 years. Thereafter, the agreement will be automatically renewed from year to year, but may be cancelled by either party without cause, upon not less than sixty (60) days' prior written notice.

The Managing Agent will receive an annual fee of $85,000 payable in equal monthly installment of $7,083.33. The Managing Agent's fee for the first year of Condominium operation is comparable to the "going rate" for similar services in comparable buildings.

The Management Fee has been allocated to each unit based on each unit's respective Percentages of Common Interest.

See the section of the plan entitled "Agreements Affecting Building Operations" for further details.

(11) LEGAL & AUDIT FEES – (Budget - $14,000)

The Condominium will engage a law firm to act as the attorney for the Condominium. The estimated cost for these services for the Condominium's first year is $5,000. It is anticipated that the Condominium will enter into an agreement with Hyman & Associates located at 580 Sylvan Avenue, Englewood Cliffs, NJ to provide audited tax returns and financial statement preparation services for the Condominium. It is estimated that the first year cost for these services will be $9,000.

These professional fees are for the entire Condominium and have been allocated to all units within the Condominium based upon each unit's Percentage of Common Interest.

(12) RESIDENT MANAGER UNIT COSTS - (Budget - $213,325)

Residential Unit 2LM shall be designated as the Resident Manager's Unit and will be occupied by the Resident Manager of the Building. At or subsequent to the First Closing, Residential Unit 2LM will be purchased by the Condominium Board on behalf of all Unit Owners who will be responsible for the payment of all mortgage recording taxes, transfer taxes and title insurance due in connection with the purchase of this Unit. Title to the Resident Manager's unit will be held by the Condominium Board, on behalf of all unit owners. All Common Charges, attributable to the Resident Manager's Unit including debt service, utilities, real estate taxes, cost of repairs, alterations, and improvements and costs of financing the purchase of the Resident Manager's Unit shall be borne by all Unit Owners as a Common Expense subject to contributions to be made based on the sharing of expenses and use of the Resident Manager's services by the owners of the non-residential Units. At the closing of title to the Resident Manager's Unit, the Condominium Board, on behalf of all Unit Owners, shall pay the purchase price by executing and delivering at Sponsor's option, to the Sponsor and/or to an institutional

lender that Sponsor shall procure, one or more purchase money note(s) in the aggregate amount of $980,000 (100% of the Purchase Price) secured by one or more mortgages on such Unit. It is anticipated that the Purchase Price will be financed by a First Mortgage in the amount of $735,000 (75% of the Purchase Price) from an Institutional Lender and a Second Mortgage in the amount of $245,000 (25% of the Purchase Price) from the Sponsor. It is anticipated that (i) the First Mortgage will be for a term of 15 years, and will bear interest at a rate of 8% and (ii) that the Second Mortgage will bear interest at 8% and will require equal monthly payments of interest and principal on a 5 year amortization schedule. Upon default or at maturity the principal balance of the Mortgages together with any accrued and unpaid interest will be due and payable by the Condominium. Base upon interest rate of 8%, on the first mortgage and 8% on the second mortgage the total monthly payments of First and Second Mortgage will be approximately $11,992 per month or $143,901 annually. No assurances or representations are made that the term and the rates in effect at the time the Resident Manager's Unit loan is obtained will be as estimated above for budget purposes. Furthermore, for the period prior to closing on the financing, the Condominium Board will be obligated to pay market rent to the Sponsor for the use and occupancy by the Resident Manager of its Unit.

Closing costs, including without limitation, mortgage recording taxes, transfer taxes, title insurance and recording fees due in connection with the conveyance and financing of the Resident Manager's Unit will be paid by the Condominium Board, on behalf of Unit Owners out of the Working Capital Fund. In the event funds in the Working Capital Fund of the Condominium at the time of Closing are insufficient to make such payments, Sponsor will advance such sums on behalf of the Condominium Board for repayment to the Sponsor pursuant to a non-interest bearing, fully-amortizing, non-secured promissory note requiring 12 equal monthly payments. These payments will be made from the Common Charges payable by the Unit Owners. For the purposes of this budget, the closing costs are estimated to be $51,292 which equates monthly to payments of $4,274.33.

In addition to the debt services and closing costs for the Resident Manager's unit, the Condominium will be responsible for the real estate taxes on the unit. The estimated real estate taxes for the first year of Condominium operation for Unit 2LM will be $14,332.08 based on an assessed value of $113,342 times a tax rate of $12.645 per $100 of assessed value. The Condominium will also be responsible for the cost of the electricity and basic telephone service for the Resident Manager's Unit as well as basic repairs. It is estimated that the electricity for the Residential Manager's Unit will be approximately 8,700 kw at $.22 at per kwh for a total cost of approximately $2,000. The telephone expense is expected to be approximately $1,800. The total cost of these items will be approximately $3,800 in the first year of Condominium operation. The estimated cost for the Resident Manager's Unit for the Condominium's first year of operation is $213,325. Since the Resident Manager's time will be devoted mostly to the service of the Residential Units and the Residential Common Elements, with only a minor portion of the Resident Manager's time (estimated at four (4) hours a week in note 2 above) devoted to General Common Elements and the non-residential limited Common Elements, the costs for the Resident Manager's Unit have been allocated in the same ratio as the wage and related payroll expenses of the Resident Manager in note 5 above.

(13) ADMINISTRATION – (Budget - $20,000)

The budgeted amount includes anticipated expenses for telephone, beepers, postage, printing, miscellaneous office supplies, payroll processing costs, permits and fees and local telephone usage in the Resident Manager's office.

These costs for administrative fees have been allocated to each unit within the Condominium based upon each unit's respective Percentage of Common Interest.

(14) CONTINGENCY – (Budget - $20,000)

This item is included in the budget to provide funds for unforeseen increases in Residential Common Expenses and General Common Expenses before or after the First Closing or to cover expenses not included in this budget.

The contingency reserve is for the entire Condominium and has been allocated to all units within the Condominium based upon each unit's respective Percentage of Common Interest.

(15) TOTAL PROJECTED EXPENSES – (Budget - $1,176,312)

The projections set forth in this budget assume that the first year of Condominium operation will cover the period from July 1, 2007 – June 30, 2008.

IN THE OPINION OF PENMARK REALTY CORP., HAVING AN OFFICE AT 820 SECOND AVENUE, NEW YORK, NEW YORK 10017. THE PROJECTED INCOME IS ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION. THE BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE BOARD WILL BE AS SET FORTH IN THE BUDGET. IN FACT, IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(I)

PENMARK
REALTY CORP

COMPLIANCE WITH REAL PROPERY LAW SECTION 339-(i)

July 16, 2007

254 PAS Property LLC
c/o Rosen Partners LLC
126 East 56th Street
24th Floor
New York, New York 10022

Re: 254 Park Avenue South Condominium
254 Park Avenue South, New York, New York

Gentlemen:

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

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

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

Penmark Realty has been actively engaged in the sales of residential property since 1960, including cooperative and condominium apartments for the past forty (40) years. The company currently manages approximately thirty-five (35) condominium or cooperative apartment buildings in New York City. Bernard Friedman, a licensed real estate broker under the laws and regulations of the State of New York, has experience in many phases of real estate including, specifically, management of residential apartment buildings in New York City

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

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

Very truly yours,

Penmark Realty Corporation

By _____
Bernard Friedman, President

ACCOUNTANT'S CERTIFIED STATEMENT OF OPERATION

GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Members of
254 PAS Property LLC

We have audited the accompanying balance sheet of 254 PAS Property LLC (a limited liability company) (the "Company") as of December 31, 2006, and the related statements of operations, changes in members' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 254 PAS Property LLC as of December 31, 2006, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Goldstein Golub Kessler LLP

GOLDSTEIN GOLUB KESSLER LLP

August 31, 2007

1185 Avenue of the Americas, Suite 500, New York, NY 10036-2602
TEL 212.372.1800 FAX 212.372.1801 www.ggkllp.com

254 PAS PROPERTY LLC
(a limited liability company)

BALANCE SHEET

December 31, 2006

ASSETS	
Real Estate - net of accumulated depreciation	$62,971,704
Conversion Costs	6,263,173
	69,234,877
Cash and Cash Equivalents	270,592
Cash - managing agent	151,154
Other assets	845,005
Real estate Tax and Other Escrows	229,176
Deferred Mortgage Costs - net of accumulated amortization	1,667,124
Total Assets	$72,397,928
LIABILITIES AND MEMBERS' EQUITY	
Liabilities:	
Accounts payable and accrued expenses	$ 394,113
Mortgage Loan payable	37,379,167
Mezzanine Loan payable	20,700,000
Project Loan payable	6,679,460
Other liabilities	2,724
Total liabilities	65,155,464
Members' Equity	7,242,464
Total Liabilities and Members' Equity	$72,397,928

See notes to financial statements

254 PAS PROPERTY LLC
(a limited liability company)

STATEMENT OF OPERATIONS

Year ended December 31, 2006

Revenue:	
Rental income	$ 3,124,605
Other income	112,849
Interest income	16,655
Total revenue	3,254,109
Expenses:	
Administrative expenses	289,261
Operating expenses	631,984
Repair and maintenance	88,634
Interest	3,556,254
Real estate taxes	980,014
Total expenses	5,546,147
Loss from operations before depreciation and amortization	(2,292,038)
Depreciation and amortization	1,899,920
Net loss	$(4,191,958)

See notes to financial statements

254 PAS PROPERTY LLC
(a limited liability company)

STATEMENT OF CHANGES IN MEMBERS' EQUITY

Year ended December 31, 2006

Members' equity at January 1, 2006	$11,434,422
Net loss	(4,191,958)
Members' equity at December 31, 2006	$ 7,242,464

See notes to financial statements

254 PAS PROPERTY LLC
(a limited liability company)

STATEMENT OF CASH FLOWS

Year ended December 31, 2006

Cash flows from operating activities:	
Net loss	$(4,191,958)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	1,899,920
Changes in operating assets and liabilities:	
Increase in cash held by managing agent	(145,966)
Increase in other assets	(839,448)
Decrease in real estate tax and other escrows	1,491,579
Increase in accrued expenses and accounts payable	394,113
Decrease in other liabilities	2,724
Net cash used in operating activities	(1,389,036)
Cash flows from investing activities:	
Expenditures for condominium conversion costs	(5,621,062)
Expenditures for building improvements	(4,400)
Cash used in investing activities	(5,625,462)
Cash flows from financing activity - proceeds from project loan	6,679,460
Net decrease in cash and cash equivalents	(335,038)
Cash and cash equivalents at beginning of year	605,630
Cash and cash equivalents at end of year	$ 270,592

Supplemental disclosure of cash flow information:

Interest paid	$ 5,264,641
Less capitalized interest	(2,085,000)
Cash paid during the year for interest, net of capitalized interest	$ 3,179,641

See notes to financial statements

254 PAS PROPERTY LLC
(a limited liability company)

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

1. **ORGANIZATION:**

254 PAS Property LLC (the "Company"), a limited liability company, was organized on August 15, 2005 under the laws of the State of New York. The Company was formed to own, lease, improve, finance, encumber and convert to condominium ownership. The Company acquired the property located at 254 Park Avenue South, New York, New York, on December 15, 2005. The project includes the conversion of 216 rental units to condominium units.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accompanying financial statements of the Company are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). As such, the preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses on these accounts.

Cash equivalents consist of highly liquid investments that are available to be drawn upon and used immediately. The carrying value approximates fair value.

Real estate is carried at cost. Apartment renovations include hard costs which are related to the condominium conversions. The cost of real estate related to occupied apartments is being depreciated; vacancies are not depreciated. The costs of the vacant apartments will be allocated to cost of sales when condominium units are sold. Costs incurred in connection with the conversion of the property to condominium ownership have been capitalized, while the incremental costs in excess of incremental revenue have been charged to expenses as incurred.

Depreciation of buildings and building improvements is being provided for by the straight-line 40 years.

Deferred mortgage costs are being amortized using the straight-line method over term of the related loans.

All soft costs that are related to the conversion of the building to condominium units have been capitalized. Certain allowable expenses and interest are capitalized to conversion costs. Conversion costs have not been amortized. These costs will be allocated to cost of sales when the condominium units are sold.

No provision for federal and state income taxes has been made in the financial statements since the income or loss from the Company is reported by the members in accordance with the provisions as mandated by the operating agreement, and is passed through directly to the members and reported in their individual tax returns.

3. **REAL ESTATE HELD FOR SALE:**

Real estate held for sale consists of the following:

Land	$12,768,040
Building	51,060,162
Building improvements	1,400
Less accumulated depreciation	(857,898)
Real estate	62,971,704
Commissions	265,800
Interest	2,085,000
Amortization of mortgage costs	642,111
Real estate taxes	574,573
Permits	45,321
Professional fees	721,609
Tenant buy-out	1,724,276
Other project related fees	204,483
Conversion costs	6,263,173
	$69,234,877

Depreciation expense for the year ended December 31, 2006 was $804,711.

4. **DEFERRED MORTGAGE COSTS:**

Deferred mortgage costs are as follows:

Deferred mortgage costs	$ 3,474,639
Less accumulated amortization	(1,807,515)
	$ 1,667,124

Amortization expense for the year ended December 31, 2006 was $1,095,209, net of amount capitalized of $642,111 for 2006.

5. CONSTRUCTION LOAN PAYABLE:

On December 15, 2005, the Company obtained financing for the condominium conversion with Lehman Brothers Holdings Inc. (the "Lender") in the principal amount of $95,300,000, subject to a maximum loan-to-cost ratio of 89.50% as follows:

	Principal Per Loan Agreement	Amount Outstanding at December 31, 2006
Mortgage Loan payable	$37,379,167	$37,379,167
Mezzanine Loan payable	20,700,000	20,700,000
Building Loan payable	18,051,973	
Project Loan payable	19,168,860	6,679,460
	$95,300,000	$64,758,627

The Company acquired the property with the proceeds of the Mortgage Loan and Mezzanine Loan. The Building Loan is used to fund the renovation of the property and the Project Loan is used to fund soft costs for the conversion project. The term of all the loans is for two years with a maturity date of January 8, 2008. The loans may be extended for two twelve-month periods provided that (1) the property is converted to condominium units, (2) no event of default has occurred and is continuing, (3) the borrower has obtained an interest rate cap as required for each extension period, (4) the borrower establishes reserve funds for taxes, insurance and interest on the loan for the applicable extension term and (5) the borrower has paid to the lender an extension fee of 0.25% prior to each extension period. The Mortgage, Mezzanine, Building and Project Loans are collateralized by the property and the equity interests in the Company.

Interest only is required for all loans. The interest rate will be the sum of one-month LIBOR plus 3.80% (the interest rate at December 31, 2006 was 8.92%) calculated on the basis of actual days elapsed in a 360-day year. Interest expenses on the above loans for the year ended December 31, 2006 were $3,556,254, net of amounts capitalized of $2,085,000 for 2006.

Except in connection with condominium unit releases, the loans cannot be prepaid in whole or in part within 12 months following funding. Thereafter, the loans may be prepaid in whole or in part on any payment date without penalty or premium provided that in the event the loans shall be prepaid on a day that is not a payment date, such prepayment shall be accompanied by the amount of interest that would have accrued on the principal amount of such prepayment through the end of the accrual period during which such prepayment is made.

The Lender has the right at any time prior to the final securitization of the loans, to convert a portion thereof into subordinate financing, including, but not limited to, the Mezzanine Loan, the Project Loan and the Building Loan.

254 PAS PROPERTY, LLC

SCHEDULE OF INCOME AND EXPENSES

DECEMBER 31, 2005

LARRY D. LIBERFARB, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
AND FINANCIAL ADVISORS

11 Vanderbilt Avenue, Suite 220, Norwood, Massachusetts 02062
Tel. (781) 255-9800 Fax (781) 255-9217
E-Mail: Info@Liberfarb.com

Independent Auditor's Report

To the Members of
254 PAS Property, LLC
Boston, MA

We have audited the accompanying schedule of income and expenses of 254 PAS Property, LLC for the year ended December 31, 2005. The schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this schedule based on our audit.

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

In our opinion, the schedule referred to above presents fairly, in all material respects the income and expenses of 254 PAS Property, LLC for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Norwood, Massachusetts
February 6, 2006

254 PAS Property, LLC

Schedule of Income and Expenses

For The Year Ending December 31, 2005

Borough	Block	Lot
Manhattan	849	36

Revenues:	
Residential Rental	$ 4,981,218
Commercial Rental	385,473
Real Estate Tax Escalation	19,226
Other	166,492
Total Revenue	5,552,409
Operating Expenses:	
Real Estate Taxes	1,350,730
Utilities	362,338
Repairs and Maintenance	62,841
Insurance	44,092
Advertising	216
Wages and Payroll	256,846
Management and Administration	392,560
Total Operating Expenses	2,469,623
Non-Operating Expenses:	
Asset Management Fees	340,388
Mortgage Interest	1,257,636
Legal and Accounting	1,286
Amortization Expense	-
Other	-
Total Non-Operating Expenses	1,599,310
	$ 1,483,476

254 PAS PROPERTY, LLC

SCHEDULE OF INCOME AND EXPENSES

DECEMBER 31, 2004

LARRY D. LIBERFARB, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
AND FINANCIAL ADVISORS

11 Vanderbilt Avenue, Suite 220, Norwood, Massachusetts 02062
Tel. (781) 255-8800 Fax (781) 255-9217
E-Mail: Info@Liberfarb.com

Independent Auditor's Report

To the Members of
254 PAS Property, LLC
Boston, MA

We have audited the accompanying schedule of income and expenses of 254 PAS . Property, LLC for the year ended December 31, 2004. The schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this schedule based on our audit.

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

In our opinion, the schedule referred to above presents fairly, in all material respects the income and expenses of 254 PAS Property, LLC for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Larry D. Liberfarb, P.C.

Norwood, Massachusetts
December 14, 2005

254 PAS Property, LLC

Schedule of Income and Expenses

For The Year Ending December 31, 2004

Borough	Block	Lot
Manhattan	849	36

Revenues:	
Residential Rental	$ 4,948,785
Commercial Rental	305,948
Real Estate Tax Escalation	22,219
Other	105,604
Total Revenue	5,382,556
Operating Expenses:	
Real Estate Taxes	1,371,434
Utilities	368,916
Repairs and Maintenance	68,467
Insurance	80,269
Advertising	2,971
Wages and Payroll	331,294
Management and Administration	374,372
Total Operating Expenses	2,597,723
Non-Operating Expenses:	
Asset Management Fees	300,894
Mortgage Interest	597,789
Legal and Accounting	139,380
Amortization Expense	102,713
Other	30,553
Total Non-Operating Expenses	1,171,329
	$ 1,613,604

COMMERCIAL SECTION

The Condominium will contain one Commercial Section consisting of a Retail Unit and a Roof Unit (referred to collectively as the "Commercial Unit") and the Commercial Common Elements. The Commercial Unit can only be used for any commercial purpose, as defined in the New York City Zoning Resolution and subject to any restrictive covenant on the Property.

The Residential Board will have no right to restrict or limit the method of operation, any uses or appearance of the Commercial Unit which are permitted by law and applicable zoning ordinances. The Commercial Board may adopt rules or approve changes relating solely to the Commercial Unit, including rules of operation. No rules affecting the operation use or appearance of the Commercial Unit may be adopted or modified by the Condominium Board without the consent of the Commercial Board. The Commercial Unit may be leased or subleased by the Commercial Unit Owners, or as more fully set forth in the Declaration subject to the restrictions set forth in the preceding paragraphs. Subject to compliance with all applicable laws and governmental rules and regulations, if any, the Commercial Unit may be sold without prior notice. The Residential Unit Owners will have no interest in the rents, profits or revenues from the rental or use of the Commercial Unit.

No representation is made with respect to the owners, tenants or occupants of any portion of the Commercial Unit may be at any time or as to the uses to which any portion of the Commercial Unit may be put at any time (except that the Commercial Unit may be used for any lawful purpose or as otherwise limited by the Plan), and no assurance is given that such tenants, occupants or uses will not be objectionable to Residential Unit Owners or other parties.

The basis for projecting the share of expenses attributable to the Commercial Unit is the Common Interest of such Units except that, as described below and in Schedule B, "Projected Budget for First Year of Condominium Operation" the Commercial Unit Owners share the costs for insurance, heating, water and sewer, administration, contingency and management fees based upon its Common Interests and shares the costs of a portion of other expenses such as the cost for labor and related expenses, capital reserve fund, repairs and maintenance and other miscellaneous office expenses based upon estimated usage. Other costs such as the costs for hot water, gas, service contracts, the elevator contract, and the costs of renting and maintaining the Superintendent's Unit are not borne at all by the Commercial Unit Owners because such utilities and/or services are either separately metered or not used by the Commercial Unit Owners.

As set forth in the opinion of Penmark Realty, Inc., the Common Charges projected to be payable by the owners of the Commercial Unit are sufficient to cover the Common Expenses fairly attributable to those Units. The Declaration and By-Laws authorize the special allocation and apportionment of profit and expenses or specific expense item based on special or exclusive use or availability or exclusive control of particular Units or Common Elements. Any dispute regarding such allocation or apportionment shall be resolved by arbitration in accordance with the By-Laws.

The Commercial Unit Owners have the right to freely sell or lease the Commercial Unit, or to freely lease all or part of the Commercial Unit, as the case may be, without having to first offer the same for sale or lease to any Board.

Certain easements have been reserved to the Commercial Unit Owners and the Sponsor in the Declaration. The Commercial Unit Owners and the Sponsor and their successors and assigns 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, including but not limited to signs on the facade of the Building and on any awnings, canopies or other protrusions from the facade of the Building, for the purposes of advertising (i) the sale or lease of any of the Unsold Residential Units and all or any portion of the Commercial Unit provided, however, that any such signs are in keeping with the first class nature of the Building, and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit, provided, that such signs are contained within the areas designated by the Sponsor for signs. The Commercial Unit Owners and their successors and assigns shall have an easement to erect, maintain, repair and replace from time to time, lights and lighting fixtures on the Common Elements of the Condominium.

The Condominium Board and the Residential Board, at the request of Sponsors, will enter into a recognition agreement with any tenant with which Sponsor or its designee or the Commercial Unit Owners have entered into a lease for all or any of the Commercial Unit. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Boards will agree that so long as there is no event of default under said lease, as would entitle Sponsor or the Commercial Unit Owners or any successor landlord under the lease to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Boards' lien on a Commercial Unit for Common Charges or any other sums of any sort, and the Boards shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Commercial Unit in question be interfered with, nor shall the leasehold estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Boards, or, in case any Board takes possession of the Commercial Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that any Board or any other party succeeds to the interests of Sponsor under the lease the tenant will agree to be bound to such Board or party under all of the terms, covenants and conditions of the lease and the tenant will attom to such Board or party as its landlord.

INTERIM LEASES

Sponsor reserves the right with respect to any Unsold Unit, prior to the date of closing thereto, to rent or lease such Unsold Unit on an interim basis for such rent and term and on such other conditions as may be agreed to between Sponsor and a Purchaser. Purchasers are advised that the tenancy under such Interim Lease is not subject to governmental regulation as to amount of rent or terms. The interim lease will provide, however, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unsold Units which is the subject of the interim lease will constitute a default under the interim lease entitling Sponsor, on behalf of itself and the Condominium, at Sponsor's option, to terminate such interim lease in accordance with applicable Law. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any lease or use and occupancy agreement with respect to the Unsold Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, on behalf of itself and the Condominium, at Sponsor's option, to terminate such Purchase Agreement and to exercise any remedies therein provided; provided however, that before Sponsor or such owner utilizes the default under the interim lease to declare a default under the Purchase Agreement, Sponsor will either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unsold Unit. A Purchaser will have thirty (30) days to vacate an Unsold Unit after a default under the Purchase Agreement or the exercise of a right of rescission.

Purchasers entering into an interim lease for an Unsold Unit will be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the interim lease. All other charges or other fees due under a interim lease will be adjusted as of the Closing to the Unit. Notwithstanding any of the foregoing, Sponsor will be under no obligation to enter into any interim lease and no portion of the rent paid under an interim lease will be credited towards the Purchase Price of an Unsold Unit unless the interim lease expressly provides.

CHANGES IN PRICES AND UNITS

Unless it would constitute a discriminatory inducement, Sponsor reserves the right at any time and from time to time before and after the Closing Date, without the consent or approval of the Selling Agent, the Managing Agent, the Condominium Board, any Shareholder or any mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Residential Unit, except that no such change with respect to any Residential Unit for which a Purchase Agreement is then in effect and with respect to which the purchaser is not in default may be made without the consent of the purchaser. A discriminatory inducement is an offer made to some but not all of the Tenants. If any price change is made, a purchaser of a Residential Unit affected thereby may pay more or less than other purchasers under this Plan for similar Residential Units, but this will not affect any prior or subsequent sale of Residential Units not the subject of such change. Sponsor has agreed that it will neither increase prices to be paid by Tenant Purchasers nor accept Purchase Agreements from non-occupant purchasers for occupied Residential Units, during any applicable exclusive purchase period. The Purchase Prices set forth in Schedule A must be changed by a duly filed amendment to this Plan when the change in Purchase Price is an across the board increase or decrease affecting one or more lines of Residential Units, or is to be advertised, or is a price increase for an individual purchaser. Unless it would constitute a prohibited discriminatory inducement, Sponsor may enter into a negotiated Purchase Agreement with an individual purchaser to sell one or more Residential Units at prices lower than those set forth in Schedule A without filing an amendment to this Plan. The offering price to be paid by Tenant Purchasers will not increase during any applicable exclusive purchase period.

Unless it constitutes a discriminatory inducement, Sponsor reserves the right to negotiate with each Purchaser, the terms and conditions of the Purchase Agreement, including but not limited to terms and conditions pertaining to: purchase price; the amount of the Down Payment; financing and other contingencies; the availability of financing; the payment of Purchaser's financing fees and other closing costs; the availability of Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; extensions of time periods within which to perform obligations under the Purchase Agreement; the availability of interim leases and the amount of interim rent; and the application of rent towards the Purchase Price. Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers without further amendment to this Offering Plan. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any rights of rescission under the Purchase Agreement.

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

incorporating common areas (such as a portion of a hallway) which exclusively benefit an Unsold Unit into such Unsold Unit and (c) if appropriate, reapportion among the Unsold Units affected by any such change, their Common Interests. In the event of any change pursuant to either (b) or (c) above, such change shall be disclosed in a duly filed amendment to the Plan. No such change, including any change in the Share allocation or in the amount or quality of public areas directly affecting or servicing an Unit, will be made with respect to any Unsold Unit for which a Purchase Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, percentage allocation, or layout of such Unsold Unit. No material change will be made in the total percentage or in the size or quality of the public areas except by amendment to the Plan and, in such event, Purchasers not in default shall receive a right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation of an amendment setting forth the right to rescind. Sponsor will return any deposit or downpayment promptly to Purchasers who rescind.

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

It should be noted that as long as the layout and dimensions of a Residential Unit conform substantially to the Residential Unit Plans, a Purchaser will not be excused from purchasing his Residential Unit and will not have any claim against Sponsor as a result of any insubstantial or immaterial change.

Please see the subsection of the Plan entitled "Rights of Existing Tenants" in this Section of the Plan for further details regarding the rights of Tenant Purchasers and Non-Purchasing Tenants.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute a Purchase Agreement in quadruplicate (i.e., four (4) original copies), which will be in the form set forth in Part II of the Plan.

Tenant Purchasers will be afforded not less than three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement unless fewer than three (3) business days remain in the statutory time period to declare the Plan effective. Sponsor must accept a Purchase Agreement from a Tenant Purchaser who submits a signed Purchase Agreement and check for the Down Payment to the Selling Agent during the time within which the Tenant Purchaser has the exclusive right to purchase the Unit occupied by the Tenant Purchaser in accordance with the terms of this Plan. Such Tenant Purchaser will receive a fully executed counterpart of the Purchase Agreement from the Selling Agent or Sponsor.

Non-Tenant Purchasers will be afforded not less than three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement unless fewer than three (3) business days remain in the statutory time period to declare the Plan effective. If a Non-Tenant Purchaser has not been afforded at least three (3) business days prior to executing a Purchase Agreement, such Purchaser will have seven (7) days after delivering an executed Purchase Agreement together with the Down Payment to rescind the Purchase Agreement and have the Down Payment refunded promptly. Such rescinding Purchaser must either personally deliver a written notice of rescission to the Selling Agent within the 7-day period or mail the notice of rescission to the Selling Agent and have the mailing post-marked within the 7-day period.

If the Purchase Agreement does not pertain to the Tenant Purchaser's Apartment or is submitted after the expiration of a Tenant Purchaser's exclusive right to purchase, or a Non-Tenant Purchaser submits a signed Purchase Agreement and check for the Down Payment to the Selling Agent or Sponsor, such Tenant Purchaser or Non-Tenant Purchaser, as the case may be, will be notified within thirty (30) days after such submission whether the Purchase Agreement has been accepted or rejected. Purchase Agreements will not be binding on the Sponsor until approved and executed by them, and delivered by Sponsor to the prospective Purchaser or such Purchaser's attorney. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Non-Tenant Purchaser, subject to any limitations and requirements imposed by Law. If the Purchase Agreement is accepted, a fully executed counterpart will be returned to the purchaser by the Selling Agent. Sponsor shall have the right to reject such Purchase Agreement without cause or explanation to purchaser, provided such rejection is not based on sex, race, creed, color, national origin or ancestry or other ground proscribed by Law. No prospective Non-Tenant Purchaser will have any claim against Sponsor for Sponsor's failure to execute a Purchase Agreement.

Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on Purchaser obtaining financing for such purchase.

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

If a Purchase Agreement is not accepted by Sponsor within the aforesaid thirty (30) day period, the Purchase Agreement shall be deemed to have been rejected and canceled and all sums theretofore deposited thereunder, without interest, shall be promptly returned to the prospective Purchaser. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan and without the consent of any Board, to refuse to approve and execute (a) a Purchase Agreement for any Unit, except as prohibited by law, and (b) a Purchase Agreement(s) for more than one Unit to any one person or entity.

The Purchase Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23A of the General Business Law of the State of New York.

In the event of a conflict between the provisions of this Plan and the provisions of the Purchase Agreement the provisions of this Plan shall control.

At the time of execution of a Purchase Agreement, a Purchaser is required to make a payment in an amount equal to the sum of ten percent (10%) of the purchase price (the "Down Payment"). In the event the Purchaser defaults, the Sponsor shall have the right to retain the entire Down Payment. All Down Payment checks must be made payable to the direct order of "LeBoeuf, Lamb, Greene & MacRae LLP, Escrow Agent". All checks delivered in payment of the Down Payment shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be canceled and of no further force or effect.

Each prospective Purchaser should note that Sponsor is only obligated to provide the equipment, fixtures and furnishings described in the "Description of Property" set forth in Part II of this Plan. If a person desiring to purchase a Unit requests that Sponsor perform special work on such Unit or provide extra furnishings, including, but not limited to, any deviation from the materials or specifications described in the "Description of Property", and Sponsor agrees to perform such special work and/or provide such furnishings, then a description of such work or furnishings shall be inserted as an addition to the Purchase Agreement and Sponsor may require such person to pay for said special work or furnishings in advance together with the cost of removing the special work if the Purchaser fails to close. Any funds received by Sponsor for such special work must initially be placed in the Escrow Account. In the event the Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for special work. Sponsor shall be under no obligation whatsoever to agree to perform any special work or provide extra furnishings for a Purchaser, nor shall Sponsor have any obligation to allow a Purchaser or its agents to perform any special work or install extra furnishings prior to Closing. Any and all special or additional work which a Purchaser desires to be performed with regard to a Unit shall

be done only upon Sponsor's written consent thereto and Sponsor's approval of all contractors and suppliers in connection therewith, which consent and approval are within the sole discretion of Sponsor. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Residential Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to Purchaser unless Purchaser agrees to pay Sponsor an amount determined by Sponsor in addition to the purchase price for such Residential Unit.

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

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

After the amendment declaring the Plan effective has been accepted for filing, Purchasers will receive at least thirty (30) days' prior notice of the originally scheduled Closing Date and, in the event Purchaser fails to close on the designated date, then Purchaser will have a thirty (30) day period after notice within which to cure, time being of the essence, such default, following which Sponsor shall have the remedies set forth below. A Purchaser may waive notice of such Purchaser's Closing Date. In the event of any default by Purchaser under his or her Purchase Agreement, and if Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of default, Sponsor may, at its option, cancel such Purchase Agreement and retain the Down Payment made by Purchaser, together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate. In addition, Sponsor shall also be entitled to retain (i) any amount spent by Sponsor for special work requested by Purchaser and (ii) the reasonable cost to restore the Unit to its condition prior to such special work being performed. Sponsor will fix dates for closing title to all Unsold Residential Units for which Purchase Agreements have been executed by serving notice upon each Purchaser stating the date of the First Closing and setting such Purchaser's Closing Date.

If a Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date (a) the closing apportionments described in the Section entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the

Purchase Agreement and 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.

If a Purchaser has entered into Purchase Agreements to purchase more than one Unit, a default by Purchaser in the payment or performance of any obligations under any of such Purchase Agreements, beyond any applicable grace periods, shall be deemed a default under all other Purchase Agreement(s). In the event of a such a default, Sponsor may, at its option, cancel each such Purchase Agreement(s) and retain, as liquidated damages, all Deposit(s) made by Purchaser, together with any interest earned thereon, if any, under each of such Purchase Agreement(s).

Prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease. Sponsor reserves the right to terminate the Purchase Agreement of any purchaser who violates this prohibition.

It is anticipated that the First Closing will occur by the date set forth in Schedule B as the commencement date for the first year of Condominium operation. In the event the project commencement date of Condominium operation is twelve (12) months or later than the anticipated date of the First Closing, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements and have their Down Payments refunded to them. In the event that the project commencement date of Condominium operation is six (6) months later than the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. If the Common Charges in the revised budget increase by twenty-five (25%) percent or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements and have their Down Payments refunded to them. Any Purchaser electing rescission will have their Down Payments and any interest earned thereon returned; provided however, that Sponsor may retain any escrow funds expended for special work at the request of the Purchaser as well as the cost of any work necessary to restore the Unit to its condition prior to such work having been performed. Rescission need not be offered to any a Purchaser who is in default under such Purchaser's Purchase Agreement, beyond the expiration of any applicable grace period, provided that Sponsor shall only retain the Down Payment of a Purchaser in accordance with the escrow and trust fund requirements of General Business Law Sections 352-e(2b) and 352-h and the Attorney General's regulations promulgated pursuant thereto as described in the subsection of the Plan entitled "Escrow and Trust Fund Requirements" in this Section of the Plan.

If the Plan is withdrawn or abandoned, the Down Payment previously paid to and actually collected by Sponsor, together with any interest earned thereon, shall be returned to Purchaser within ten (10) days of the date of such withdrawal or abandonment, in accordance with the provisions herein set forth.

From and after the Closing of each Unit, Purchaser will become obligated for the payment of Residential Common Charges in proportion to the Purchaser's Residential Common Interest, real estate taxes and assessments (including water charges and sewer rents, if separately assessed) and all other expenses with respect to his Unit, whether or not he has taken possession

of his Unit, and whether or not all work required to be performed by Sponsor or anyone else in or to his Unit or the Building has been completed.

The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit, at which time such risk shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price for the subject Unit. In such event Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the respective Boards and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit, or, if the casualty occurs after the first closing and 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 Unit Owners and Boards of Managers"), the Purchase Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited thereunder, together with interest earned thereon, if any, whereupon the parties to the Purchase Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Purchase Agreements are not assignable without the prior written consent of Sponsor, which consent may be granted or denied by Sponsor in its sole discretion.

Escrow and Trust Fund Requirements

All Down Payments received by Sponsor under a Purchase Agreement will be held in escrow in conformity with the provisions set forth below.

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

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

All Down Payments made by Purchasers prior to the closing of each individual transaction, will be placed, within five (5) business days after the Purchase Agreement has been signed by all necessary parties, in a segregated special escrow account of LeBoeuf, Lamb, Greene & MacRae LLP, the escrow agent (the "Escrow Agent"), whose address is 125 West 55th Street, New York, New York 10019 and whose telephone number is (212) 424-8245. The attorneys who are signatories on this account authorized to withdraw funds are: Peter S. Britell, Stuart M. Saft and Joel I. Sanders. Escrow Agent has established a master escrow account at JP Morgan Chase Bank (the "Bank") at its branch located at 345 Park Avenue, New York, New York 10154 entitled LeBoeuf, Lamb, Greene & MacRae LLP, Escrow Account (the "Master Escrow Account"). All Down Payments will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) in the form set forth in Part II of the Plan or a Form W-8 (Certificate of Foreign Status) in the form set forth in Part II of the Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Down Payment and the Purchase Agreement. If a Down Payment is accompanied by a completed and signed Form W-9 or Form W8, the Down Payment will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8, the Down Payment will remain in the non-interest bearing checking portion of the Master Escrow Account. At such time as the Down Payment is released, the Down Payment will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon. The Bank is covered by federal bank Down Payment insurance to a maximum of $100,000 per individual deposit. The following are special risks of this offer: (i) if a Purchaser makes a Down Payment in excess of $100,000 for the purchase of a unit, such Down Payment will not be federally insured in excess of $100,000; and (ii) while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured even if the Down Payment does not exceed $100,000.

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

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

If a Purchaser tenders all or a portion of the Down Payment without an executed Purchase Agreement, Sponsor shall have the right to reject the Down Payment and return it to Purchaser: (i) within five (5) business days after tender, if the Down Payment has not been deposited into escrow, and (ii) at any time, if the Down Payment has been deposited into escrow.

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow savings account portion of the Master Escrow Account will be interest-bearing.

All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Down Payment. All interest will be credited to Sponsor only in the event Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts which varies. Currently the rate is approximately 1.0%. Interest will begin to accrue after deposit within: (i) one (1) business day, if the Down Payment is cash or cash equivalent, or (ii) three (3) business days, if the Down Payment is other than cash or cash equivalent, of the transfer of the Down Payment from the checking account portion of the Master Escrow Account into the sub-escrow savings account portion of the Master Escrow Account.

All instruments shall be made payable directly to the order of "LeBoeuf, Lamb, Greene & MacRae LLP, as Escrow Agent." Endorsed instruments will not be accepted.

In the event a check delivered by a Purchaser fails of collection, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within five (5) business days of Sponsor receiving notice from Escrow Agent of such failure of collection.

Within ten (10) business days after tender of the first portion of the Down Payment, Escrow Agent will notify Purchaser that such funds have been deposited into escrow and will provide the account number and the initial interest rate, if any. If Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the first portion of the Down Payment, Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the Down Payment 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 Down Payment was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations.

Escrow Agent will hold the Down Payment in escrow until otherwise directed in:

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

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

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

If there is no written agreement between the parties to release the Down Payment, Escrow Agent will not pay the Down Payment to Sponsor until Escrow Agent has given Purchaser written 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 to the release of the Down Payment after an amendment abandoning the Plan is accepted for filing by the Department of Law.

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

Purchaser 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 Sponsor in the event Sponsor and Purchaser close title under the Purchase Agreement.

Purchasers and Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the 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 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.

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, if any. 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.

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

Sponsor may agree to modify the floor plans and finishes of certain Residential Units or to do special work or provide extras to the Residential Units as requested by individual Purchasers as negotiated by Sponsor and Purchaser. Purchaser shall bear the cost of such modification to floor plans and finishes in advance together with the cost of removing the special work if the Purchaser fails to close. All funds received by Sponsor from Purchasers for such modified or additional work in Units, as aforesaid, shall be initially placed in escrow. In the event a Purchaser becomes entitled to rescission, the Purchaser shall not receive a refund of any funds used for special work or extras or for their removal.

ASSIGNMENT OF PURCHASE AGREEMENTS

Purchase Agreements are not assignable.

EFFECTIVE DATE

The offering of the Residential Units for sale under this Plan by Sponsor is contingent upon this Plan being declared effective. The following provisions will determine whether, and when, this Plan will be declared effective.

1. This Plan may not be declared effective until Purchase Agreements have been executed and delivered for at least fifteen percent (15%) of all Residential Units in this Building, by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more specified members of their immediate family occupy the Residential Unit when it becomes vacant. As to tenants who were in occupancy on the Filing Date of this Plan, the Purchase Agreement must be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

2. After the conditions in the preceding paragraph 1 have been met, Sponsor may, at its option, declare this Plan effective.

3. When Purchase Agreements have been executed and delivered for the sale of eighty percent (80%) of all Residential Units in the Building, an all the conditions referred to in the foregoing paragraph 1 have been met, Sponsor must declare this Plan effective.

The Plan will not be declared effective based on Purchase Agreements: (i) signed by purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) assigned or transferred unless all of the procedures in the Section entitled "Procedure to Purchase" have been complied with; or (iii) signed by purchasers who have not been afforded at least three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement or at least seven (7) days to rescind; or (iv) signed by any purchaser who is Sponsor, the Selling Agent, the Managing Agent, or a principal of either, or is related by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner of Sponsor, the Selling Agent, the Managing Agent or a principal of either (except that such a purchaser other than Sponsor or a principal thereof may be counted only if Sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is bona fide).

When calculating the fifteen percent (15%) requirement: (i) no more than one Purchase Agreement by the tenant or tenants of a particular Residential Unit will be counted; and (ii) only one Purchase Agreement from any tenant who leases or occupies more than one Residential Unit will be counted.

This Plan will be declared effective either by: (a) personal service of written notice to all purchasers and, within five (5) business days following such notice, an amendment to this Plan confirming that this Plan was declared effective as of the date of such notice will be submitted to the Department of Law, which amendment, upon acceptance for filing, will be delivered to all purchasers; or (b) by duly filed amendment to this Plan. The closing of title with respect to any

Unit shall in no event take place prior to the acceptance for filing of such amendment to this Plan.

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

If this Plan has not become effective within fifteen (15) months from the Filing Date, it will be deemed abandoned, void and of no effect and all monies will be returned to purchasers, in full, within thirty (30) days thereafter. In the event of such abandonment, Sponsor shall promptly submit an amendment to the Department of Law together with form RS-3 as promulgated by the Department of Law. Upon the return or retention of the Down Payment, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to such purchaser under this Plan or the Purchase Agreement. In the event of abandonment, no new condominium offering plan relating to the Building shall be submitted to the Attorney General for at least twelve (12) months after such abandonment.

Prior to conveying title to the first Residential Unit, Sponsor may, at its option, declare this Plan abandoned for any reason whatsoever before it is declared effective or the eighty percent (80%) quota and other conditions referred to in the foregoing paragraph 3 are reached and satisfied respectively. Once this Plan has been declared effective, it may not be abandoned except in the event of (i) the existence of a defect in title (unknown to Sponsor on the Filing Date of this Plan) which cannot be cured without litigation or cannot be cured for less than 0.5% of the total offering amount; or (ii) a substantial damage to or destruction of the Building or any portion thereof by fire or other casualty which cannot be repaired for less than 0.5% of the total offering amount; or (iv) the taking of any material portion of the Property by condemnation, or eminent domain or by other means. Excluded from the dollar amounts set forth in (i), (ii), or (iii) above are title defects, violations, work orders, or determinations of any authority or regulatory association which exist on the Filing Date and either are known to Sponsor or are a matter of public record. If Sponsor does not abandon this Plan after the occurrence of any of the events set forth in (i), (ii), or (iii) above, then Sponsor shall be obligated to proceed with this Plan regardless of the cost to cure or repair such items. Whether or not this Plan will be abandoned will be in the sole discretion of Sponsor.

Sponsor will on the 30th, 60th, 88th and 90th day after the Presentation Date of this Plan and at least once every thirty (30) days until this Plan is declared effective or abandoned, as the case may be, and on the 2nd day before the expiration of any exclusive purchase period provided in an amendment to this Plan (i) file with the Attorney General, Real Estate Financing Bureau, 23rd Floor, 120 Broadway, New York, New York 10271, a written statement, under oath, setting forth the percentage of Residential Units in the Building which are the subject of Purchaser Agreements executed by bona fide tenants in occupancy or bona fide purchasers or represented that they intend that they or one or more specified members of their immediate family occupy the Residential Unit when it becomes vacant as of the date of such statement and as of a specified time and, (ii) before noon on the day such statement is filed, post a copy of such statement in a prominent place accessible to all tenants in the Building. The percentage shall be computed in the same manner as Sponsor shall compute the minimum percentage needed to declare this Plan effective. The statement which is posted in the Building and filed with the Attorney General shall include the following: the date and time of the statement, the Filing Date of this Plan, the Presentation Date of this Plan and any current amendment, the last day of any exclusive purchase

period, the number of bona fide tenants in occupancy and bona fide purchasers who have executed Purchase Agreements, the number of Residential Units counted in the base and the percentage of purchasers. Copies of all filed and posted written statements will be available for inspection at the office of the Selling Agent and the Attorney General. All filed and posted written statements shall remain posted until the next filed and written statement is posted.

After an amendment declaring this Plan effective has been accepted for filing, Sponsor will fix dates for the Closing of Title to all Residential Units as to which Purchase Agreements are outstanding, in accordance with the provisions of the respective Purchase Agreements. See this Section of this Plan entitled "Terms of Sale" for a discussion on the mechanics of Closing of Title to a Residential Unit.

TERMS OF SALE

The term "Closing" as used herein refers to the conveyance of title to a Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the purchase price for such Unit. After the Plan has been declared effective, Sponsor shall provide Purchasers with at least thirty (30) days notice of the scheduled Closing Date. The Closing to each Unit shall be held at the offices of Sponsor's attorneys, LeBoeuf, Lamb, Greene & MacRae LLP, 125 West 55th Street, New York, New York 10019 or at such other place as Sponsor may designate on not less than two (2) business days' notice prior to the Closing. The Closing to each Unit shall take place only after or concurrently with the following events:

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

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

c. either (i) the release of the Unit and its appurtenant interest in the Common Elements from the lien of all mortgages, if any, or (ii) if the Purchaser is obtaining financing on such Unit, the assignment to the Purchaser's mortgagee of any existing mortgage(s) encumbering such Unit and its appurtenant interest in the Common Elements;

d. the delivery to Purchaser of written notice of the time and place of the Closing to the Unit at least thirty (30) days prior to the Closing Date specified therein, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Unit and the Property, during normal business hours and in the company of Sponsor's agent, prior to Closing;

e. the execution and delivery by Sponsor of a bargain and sale deed without covenants against grantor's acts (which deed shall be substantially in the form set forth in Part II of the Plan) conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances;

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

g. if Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's sole expense) of a policy of title insurance in at least the amount of the purchase price of the Unit, insuring that (i) Purchaser has fee title to his or her Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions, (2) liens and encumbrances (other than Permitted Encumbrances) to which his Unit's title is subject, which have been expressly accepted by Purchaser, and (3) any mortgage and related security documents that Purchaser

executes in connection with the financing of the purchase price of his Unit and (ii) the Condominium has been validly created pursuant to the Condominium Act.

The Units are being sold "as is" in the condition in which they exist at the time a purchaser signs a Purchase Agreement, subject to ordinary wear and tear except as otherwise provided in this Plan. All personal property located within a 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 Sponsor is included in the conveyance unless specifically excepted in the Plan. Sponsor will maintain the Building and the Common Elements until the First Closing, subject to ordinary wear and tear. Sponsor's obligation to make repairs in any Unit shall cease upon the Closing of Title of such Unit, except for repairs which Sponsor was obligated to make prior to the closing of title. Each purchaser will be given a reasonable opportunity to examine the Unit prior to closing, subject to the rights of any tenant or occupant of such Unit, and is urged to make a careful inspection thereof.

If prior to the expiration of any exclusive purchase period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted a Purchase Agreement and the Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

If the Purchaser is or becomes the tenant or occupant of the Unit before the closing of title thereto and, before such closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside of the Unit or did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees, or workmen. Except as set forth in the preceding sentence, all other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair the same. If Sponsor or (in the event the Declaration is filed) the Condominium Board does not elect to repair the damage, the Purchase Agreement will be canceled and be of no further force or effect, unless the Purchaser agrees to accept such Unit without such repair. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor unless the Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which event the said purchase monies will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair the damage, the Purchase Agreement shall continue in full force and effect, the Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repair.

Title to each Unit and its appurtenant interest in the Common Elements shall be conveyed at the closing of title free and clear of all liens, encumbrances and title exceptions other than those described in Part II of this Plan and the proposed deed for each Unit

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

instruments. If existing mortgages will not be satisfied at or prior to the First Closing, as of the First Closing, each mortgagee will either (i) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (ii) subordinate the lien of its mortgage to the Declaration; or (iii) release its lien on the Unit being conveyed.

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

Upon the Closing of Title to a Unit a Purchaser will thereupon become obligated for the payment of Common Charges, taxes or other assessments charged against the Unit to the Condominium Board (whether or not such Purchaser takes possession of the Unit and whether or not the tenant in possession, if there be one, pays the rent required to be paid by such tenant).

The existing lease of a tenant who has purchased a Residential Unit will be terminated as of the Closing of Title to such tenant's Residential Unit, and such tenant will not have any rights afforded by nor be subject to, the Rent Laws or the GBL.

CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Purchase Agreement, in addition to Purchaser's own legal fees, Purchaser will pay the closing costs set forth below at the time of the closing of title of the Purchaser's Units. Recording charges, fees and taxes are based on rates in effect on the date of the Plan and are subject to change without notice:

(a) A contribution to the working capital fund of the Residential Section in an amount equal to one (1) month's Residential Common Charges then applicable to each Unit being purchased.

(b) Purchaser will pay the premium for title insurance, which will vary depending upon the purchase price of the Residential Unit. If Purchaser elects to obtain fee title insurance from First American Title Insurance Company of New York, having an office at 633 Third Avenue, New York, New York 10017, Tel: (212) 922-9700; Fax: (212) 376-0911, the premiums as of the date of this Plan will be reduced by reason of the reissue credit arising from the initial sale of the Unit by Sponsor. As of February, 2006, the discounted premium for owner's title insurance is seventy percent of the sum of $402 for the first $35,000 of fee insurance plus from $4.67 for each $1,000 of additional fee insurance up to $50,000. For additional rates, please refer to the schedule below.

FEE AMOUNT	PREMIUM				
$50,000.00	$402	+	5.43	per thousand up to	$100,000.00
100,000.00	704	+	4.36	per thousand up to	500,000.00
500,000.00	2518	+	3.98	per thousand up to	1,000,000.00
1,000,000.00	4508	+	3.66	per thousand up to	5,000,000.00

However, Purchaser is free to use the title insurance company of their choice, and has no obligation to clear title through First American Title Insurance Company

(c) If a purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from First American Title Insurance Company of New York, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Basic Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the owner's policy shall be calculated at thirty percent (30%) of the regular scheduled rate for loan policies as outlined on the schedule below.

LOAN AMOUNT	PREMIUM				
35,000.00	73	+	1.17	per thousand up to	50,000.00
50,000.00	90	+	.95	per thousand up to	100,000.00
100,000.00	137	+	.77	per thousand up to	500,000.00
500,000.00	443	+	.70	per thousand up to	1,000,000.00
1,000,000.00	791	+	.64	per thousand up to	5,000,000.00

However, Purchaser is free to use the title insurance company of their choice, and has no obligation to clear title through First American Title Insurance Company,

(d) A fee for recording the Residential Unit Deed and Residential Unit Power of Attorney. First American Title Insurance Company of New York charges $32.00 as a base recording charge plus $5 per page plus $30.00 documents service charge and charges a mortgage recording fee (if any) at a rate of $32.00 per instrument plus $5 per page and a $30.00 document service charge. Each title company establishes its own additional service and surcharges in this regard;

(e) If Purchaser obtains a mortgage loan, the Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s);

(f) The New York City Real Property Transfer Tax ("RPT Tax"), which currently, for the purchase of a single Unit is one (1%) percent of the purchase price of a Unit $500,000 or less (1.425% of the purchase price if over $500,000), and the New York State Documentary Stamp Tax ("NYS Tax"), presently $2.00 for each $500.00 (or part thereof) of the purchase price of a Unit. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to tax. Therefore, the steps to compute the tax are:

(i) Multiply the purchase price by the RPT Tax rate to compute the City tentative tax.

(ii) Multiply the purchase price by the NYS Tax rate to compute the tentative NYS Tax.

(iii) Add the tentative taxes to the purchase price.

(iv) Multiply (iii) by the RPT Tax rate to determine the RPT Tax payable.

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

Example:

Purchase price = $1,500,000.00

(1)	$1,500,000.00 x 1.425%	= $	21,375.00
(2)	$1,500,000.00 x .4%	= $	6,000.00
(3)	$1,500,000.00 + $27,375	= $	1,527,375.00 ("Adjusted Purchase Price")
(4)	$1,527,375.00 x 1.425%	= $	21,791.00 (inc. $25.00 filing fee for RPT)
(5)	$1,527,375.00 x .4% (rounded up to nearest $500)	= $	6,111.00
(6)	$1,527,375.00 x 1%	= $	15,273.75 (the "Mansion Tax" – see below)

Where a purchaser purchases two or more Units the NYC RPT Tax rate where the consideration is $500,000 or less will be 1.425%, while the tax rate where the consideration is in excess of $500,000 will be 2.625%. The City of New York Department of Finance has recently taken the position that the consideration for the transfer of each Unit is not aggregated for purposes of determining total consideration. There is no guarantee that The City of New York will not change its positions with respect to the purchase of multiple Units by the same purchaser.

(g) If the purchase price of the Residential Unit is $1,000,000 or more, the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax", currently one (1%) percent of the purchase price. Purchase price and transfer taxes payable by purchaser are added together by NYS Department to arrive at total consideration. Therefore, a residential unit priced at $985,000, where purchaser pays transfer tax, would subject purchaser to liability for Mansion Tax as the aggregate of price plus tax would exceed $1,000,000.

(h) The legal fees of Sponsor's attorneys in the amount of $1,750 will be payable by a purchaser to LeBoeuf, Lamb, Greene & MacRae LLP. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, LeBoeuf, Lamb, Greene & MacRae LLP, in connection with the closing of title to Purchaser's Unit: If the Purchaser requests the Closing to occur other than at the offices of LeBoeuf, Lamb, Greene & MacRae LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of $500 for each Closing held within Manhattan and $750 for each Closing held in any borough outside Manhattan. In addition, if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement or the Purchaser postpones the Closing, or for the addition, deletion or substitution of names on the Purchase Agreement, Purchaser shall pay the fee of Sponsor's counsel in the amount of $350.00, payable in advance, for preparation of an assignment agreement. Purchaser may pay more than one fee pursuant to this paragraph with respect to a single Unit. In addition to an attendance fee in connection with a completed Unit transfer,

Sponsor's attorneys shall also be entitled to an attendance fee if they attend a scheduled closing but the closing is adjourned due to Purchaser's failure to comply with its closing obligations, the determination of which shall be within the sole discretion of Sponsor's attorneys. In addition, more than one assignment fee shall be payable if Sponsor consents to more than one request.

(i) If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording tax, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. Currently, the mortgage recording tax for mortgages under $500,000 is $2.05 for each $100 of principal and such tax for mortgages in the amount of $500,000 or greater is $2.75 for each $100 of principal. This tax is reduced for Residential Units in both instances by $30.00 if the mortgage principal exceeds $10,000. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources. As previously stated in paragraph (e) above, if a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure solely to the benefit of Sponsor. Accordingly, at Closing, each Purchaser utilizing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed and Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

In addition to the above-specified costs and expenses, a mortgage on a Unit may provide that the Unit Owner deposit monthly with the lender one-twelfth (1/12) of the estimated annual real estate taxes and tax assessments which are assessed or to be assessed against the Unit, together with one-twelfth (1/12) of the annual fire and casualty insurance policy premiums for the Unit, or other amounts, and, at Closing, Purchaser may be required to deposit with the lender a multiple of the aggregate of such one month's real estate taxes, tax assessments and insurance premiums, or other amounts, in order that sufficient funds will be available for the lender to pay the same when due.

Example: Mandatory Closing Costs

Purchaser will pay the following mandatory Closing costs based on rates in effect in February, 2006 and assuming the Purchase Price is $1,500,000 and the form of documents in the Part II of this Plan are used (all amounts are approximate and rounded to the nearest whole dollar).

(1) Fee to record Unit deed (assuming 5 pages + 1 cover page) and Unit Owner's Power of Attorney (assuming 4 pages + 1 cover page).	$209.00
(2) Title insurer's service charge to record the Unit deed and Unit Owner's Power of Attorney	60.00 (estimated & approximate)
(3) Fee to record Form EA 5217	75.00
(4) New York State transfer tax (also called the documentary	

stamps) at the rate equal to the Adjusted Purchase Price (see Example above) x .4% (rounded up to the nearest $500) plus a "Mansion Tax" of 1% of the Adjusted Purchase Price (if the Adjusted Purchase Price is $1,000,000 or more)	21,385.00
(5) New York City transfer tax (at the rate of 1% of an Adjusted Purchase Price of $500,000 or less, or at the rate of 1.425% of an Adjusted Purchase Price of more than $500,000)	21,791.00
Total projected mandatory Closing costs:	$43,445.00* (estimated & approximate)

* Note: This figure does not include the required Working Capital Fund payment equal to one (1) month's projected Common Charges and the legal fee due Sponsor's attorneys. In addition, governmental recording fees may vary from time to time. Title company service charges (if any) may also be imposed depending on the title agent or insurer.

Example: Elective Closing Costs

Assuming the purchase of the Unit is financed with a mortgage loan for 80% of the Purchase Price (or $1,200,000) and both fee and mortgage title insurance are obtained simultaneously for Purchaser and Purchaser's mortgage lender, Purchaser would pay the following projected elective Closing costs based upon rates in effect as of February, 2006 (all amounts are approximate and rounded to the nearest whole dollar):

(1) Mortgage recording tax (at a rate of 2.05% of the mortgage – if less than $500,000 – or 2.75% of the mortgage – if $500,000 or more), minus $30.00 and minus .25% payable by the mortgage lender before deducting the statutory credit against the mortgage tax credit payable to Sponsor.	$23,307.00
(2) Mortgage recording fee (assuming 20 pages plus a cover page) at the rate of $32 per instrument, $5 per page.	137.00
(3) Municipal charge to record the mortgage tax credit affidavit.	62.00
(4) Title Insurer's service charge to record the mortgage and mortgage tax credit affidavit	60.00
(5) Premium for simultaneous fee ($4,437) and mortgage ($919) title insurance	5,355.00
(6) Other projected potential mortgage loan costs (assuming: "points" of 1% of mortgage amount, appraisal of $250,	

lender's legal fee of $750, UCC-1 filing fee of $75 and $200 allowance for miscellaneous expenses)	13,375.00*
(7) Allowance for title closer gratuity and contingencies.	250.00
Total projected elective closing costs:	$42,209.00 (estimated and approximate)

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

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

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

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

At Closing, adjustments will be made as of midnight of the day preceding the Closing Date between Sponsor and each Purchaser with respect to (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed) on the basis of the period for which assessed, (b) Residential Common Charges for the month in which title closes and (c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering Purchaser's Residential Unit. In the event the Units have not been separately assessed for real estate tax purposes prior to the First Closing, each Unit Owner will pay a pro rata share (in the proportion that such Unit's Residential Common Interest bears to the aggregate Residential Common Interest of all Residential Units) of all real estate taxes with respect to the Property to the Condominium Board as Common Charges (please refer to Schedule A for an estimate of real estate taxes payable during the first year of Condominium operation). The Condominium Board will pay such taxes either to the Finance Administration of The City of New York or directly to Sponsor if Sponsor has already paid such real estate taxes. If any Unit Owner fails to pay his pro rata share as set forth above, the Condominium Board will have a lien on such Unit for non-payment of Common Charges. (See the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers--Common Charges: Collection and Lien for Non-Payment" for further discussion.) At such time as a Unit is separately assessed and separately billed, its Unit Owner will pay such taxes directly to the taxing authority.

If a Purchaser fails for any reason to close title to his or her Residential Unit on the originally scheduled Closing Date, (a) the closing apportionments described above will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and this Plan, an amount equal to 0.03% of the purchase price of his or her Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

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

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor's Obligations with Respect to the Creation of the Condominium

Sponsor will bear all costs and expenses to be incurred in connection with the creation of the Condominium and the preparation, filing and distribution of this Plan. In addition, Sponsor will pay all selling expenses and brokerage commissions of the Selling Agent or other broker engaged by Sponsor. In the event that there are title encumbrances (other than Permitted Encumbrances annexed to the Purchase Agreement as Exhibit A and mortgages) affecting the Property at the time of the First Closing, Sponsor shall cause such encumbrances to be cured, remedied and removed, at its sole cost and expense, by the First Closing or within a reasonable time thereafter, except that Sponsor shall have no obligation to cure, remedy, or remove any such encumbrances if the same cannot be accomplished at an aggregate cost and expense of up to 0.5% of the total offering amount (including attorneys fees and disbursements). The existence of any such encumbrances will not constitute an objection to title or excuse any purchaser from completing payment of the balance due under his Purchase Agreement (without provision for escrow), provided that Sponsor furnishes adequate proof to the Title Company that such encumbrance has been remedied or deposits a reasonable sum to secure Sponsor's obligation to cure and remedy such encumbrance subsequent to the First Closing as determined by the Title Company. At Sponsor's request, the sums so deposited shall be applied towards payment of the cost of curing or remedying the title defect.

If the Purchaser is or becomes the tenant or occupant of the Unit before the closing of title thereto and, before such closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside of the Unit or did not result from the acts of such purchaser or other occupants of the Unit or such Purchaser's guests, invitees, or workperson. Except as set forth in the preceding sentence, all other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair the same. If Sponsor or (in the event the Declaration is filed) the Condominium Board does not elect to repair the damage, the Purchase Agreement will be canceled and be of no further force or effect, unless the Purchaser agrees to accept such Unit without such repair. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor unless the Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which event the said purchase monies will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair the damage, the Purchase Agreement shall continue in full force and effect, the Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repair.

Immediately following the recording of the Declaration, all assignable service and maintenance contracts and agreements relating to the Units and/or the Common Elements will be assigned to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume the same and indemnify the assignor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the Declaration was recorded.

Sponsor's Obligations with Respect to Asbestos

In accordance with the provisions of 13 NYCRR 23.7(ac), Sponsor has engaged a qualified firm to perform such tests as are necessary to determine whether asbestos containing material ("ACM") is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM in the Building (the "Asbestos Report"). A copy of the Asbestos Report is set forth in Part II of this Plan. The Asbestos Report provides that (i) no friable asbestos was found in the building during the survey and (ii) non-friable asbestos was found in the form of roofing materials, which were found to be in good to fair condition. The Asbestos Report provides that these materials do not have to be removed immediately and pose no immediate health threat, however, in the event these materials were to be removed, the cost would be approximately between $60,000 and $75,000. Sponsor's obligations under this Plan do not include an obligation to remove any asbestos identified in the Asbestos Report and Sponsor does not intend to perform any such remedial work.

Real Property Law §339-kk

Subsection kk to Section 339 of the Real Property Law ("GBL"), a copy of which is set forth in Part II of the Plan, was enacted into law July 22, 1998. RPL §339-kk is applicable to all condominiums in the State of New York. RPL §339-kk is intended to provide additional financial protection for a condominium if a sponsor or other non-occupant Unit Owner of a Unit fails to make monthly payments for Common Charges, assessments and late fees due in connection with such owner's Unit.

RPL §339-kk provides, by its terms, among other things, that with respect to unsold Units in a condominium owned by a sponsor or by any other non-occupant Unit Owner and occupied by a tenant:

a. If payment of Common Charges, assessments or late fees by any non-occupant Unit Owner is more than sixty (60) days late after the expiration of any grace period within which they are due, payments from a tenant of such Unit may become directly payable to the Condominium upon written notice by the Condominium to the tenant and the non-occupant Unit Owner. Where a majority of the Condominium Board has been elected by Unit Owners who are in occupancy of their respective Units, the Condominium Board may elect not to require that the rental payments be paid to the Condominium. Once the Common Charges, assessments and late fees of the non-occupant Unit Owner have been brought current, the Condominium Board must notify the non-occupant Unit Owner and tenant within three (3) business days and thereafter the rent will be payable to the non-occupant Unit Owner or a designated agent.

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

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

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

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

RPL §339-kk does not address a number of issues. Accordingly, Sponsor makes no representation as to (i) RPL §339-kk 's effect on the lien priority of a loan heretofore or hereafter made to a non-occupant owner and secured by the Unit, or whether RPL §339-kk 's enactment or compliance therewith by a tenant constitutes a default by the Unit Owner under said loan, (ii) RPL §339-kk 's effect on assignments of leases and rents given by a non-occupant owner to a secured party in connection with purchase-money financing or otherwise, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Condominium Board after notice from the Condominium Board (in accordance with RPL §339-kk) to do so, (iv) the consequence of the Condominium Board's failure to give notice to a tenant (i.e., does failure constitute a waiver of the Condominium 's rights), or (v) who is responsible for designating an agent to whom rental payments are to be made after the non-occupant Unit Owner is brought current in payment of Common Charges, assessments and late fees.

Finally, no representation is made about the tax effects of RPL §339-kk.

All prospective purchasers should review RPL §339-kk to determine its effect on their own situation.

Veto and Other Rights of Sponsor

Sponsor and the holders of Unsold Units may not exercise veto power over expenses set forth in Schedule B of the Plan or over expenses required to comply with applicable laws or regulations or to remedy any notice of violation or to remedy any work order by an insurer. Until such time as less than twenty-five (25%) percent of the Units constitute Unsold Units or five (5) years following the Closing Date, whichever is earlier, the Condominium may not, without the consent of Sponsor and the holders of Unsold Units: (a) make any addition, alteration or improvement to the Building or to any Unit, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees or services referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the Closing Date or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other

alternative is available, to enable the Condominium Board to comply with the Laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

Sponsor and other holders of Unsold Units may not exercise veto power over expenses described in Schedule B of this Plan or over any expenses required (a) to comply with applicable law or regulations; (b) to remedy any notice of violation; or (c) to perform work to the Property required by an insurer.

Notwithstanding anything to the contrary set forth herein, in no event shall the Condominium: (i) reduce or eliminate any services provided to Non-Purchasing Tenants under the Rent Laws or their tenancies or as otherwise may be required by Law, in such a manner as may result in the reduction of the rents or use and occupancy sums paid by such Non-Purchasing Tenants, (ii) separately assess a Unit Owner for fees for such services (unless such services are separately assessed as of the Closing Date) or (iii) to the extent that services to Non-Purchasing Tenants are currently individually assessed for the provision of additional services, assess Unit Owners for an amount greater than can be charged by the Unit Owner to the Non-Purchasing Tenants under the Rent Laws.

If Sponsor or a holder of Unsold Units is required, or desires, to file an application or other document with any agency administering any type of rent control (including the present rent stabilization law, or any amendments to such laws or similar legislation), the Condominium must cooperate in all respects, including the furnishing of information and access to and/or copies of all books, records and documents reasonably required in connection therewith, and the filing by, and in the name of, the Condominium of documents required to be filed by it in connection therewith. Sponsor or the holder of Unsold Units will pay to the Condominium any expenses it incurs in complying with the foregoing.

If any Residential Unit in the Building is occupied by a Non-Purchasing Tenant and said Residential Unit is the subject of a rent exemption order under the New York City Administrative Code or any similar provisions of law, at the request of Sponsor or the holder of Unsold Units, the Condominium shall apply for a tax abatement pursuant to the New York City Administrative Code or any similar provisions of law, and the amount of Common Charges payable by Sponsor or the holder of Unsold Units in respect of such Residential Unit shall be reduced to the extent of any tax abatement received as a result of such application and the Common Charges payable by Sponsor or the holder of Unsold Units shall continue to be reduced by the amount of such tax abatement for so long as such tax abatement shall continue.

If the maximum legal rent for any Residential Unit in the Building occupied by a Non-Purchasing Tenant can be increased by reason of any act of the Condominium, including, without limitation, major capital expenditures for improvements or increased services provided by the Condominium, or increases in operating costs for which pass-alongs or increases in rent may be granted or allowed by any applicable provision of law, the Condominium will cooperate with Sponsor and the holders of Unsold Units to secure such increase in rent, and the Condominium will provide and file such documentation and will provide such information as is reasonably necessary or required by law to obtain such increases. The Condominium will not be obligated to engage in litigation or take any action to insure such increases, other than to provide and file such information as is reasonably necessary or required by law to permit the holders of

Unsold Units to secure such increases. Neither Sponsor nor the holders of Unsold Units will be under any obligation to account to the Condominium for any rents received from non-purchasing tenant.

Leasing and Use of Unsold Units

Sponsor reserves the right, prior to the date of closing title thereto, to rent or lease any Unit for such rent and term and upon such other conditions as may be agreed to between Sponsor and any Purchaser who has paid the Down Payment required by the Purchase Agreement subject to the rights of Non-Purchasing Tenants. Any such lease or use and occupancy agreement will provide, however, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the lease or use and occupancy agreement will constitute a default under the lease entitling Sponsor, at its sole option, to terminate such lease or use and occupancy agreement in accordance with applicable Law. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any lease or use and occupancy agreement with respect to the Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to terminate such Purchase Agreement and to exercise any remedies therein, provided however, that before Sponsor utilizes the default under the lease to declare a default under the Purchase Agreement, Sponsor will either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Unit Owner unless the Unit Owner has vacated the Unit.

Purchasers or any other persons entering into a lease or use and occupancy agreement for a Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the lease or use and occupancy agreement. All other charges or other fees due under a lease or use and occupancy agreement shall be adjusted as of the Closing to the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any lease or use and occupancy agreement. Sponsor anticipates that the lease or use and occupancy agreement will not be subject to governmental regulation as it is expected that such Residential Units will be deregulated as high rent housing accommodations pursuant to the provisions of the RRRA or the Rent Regulation Reform Act of 1997.

Sponsor or its designee further reserves the right to use or occupy itself or to rent or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between such parties) any Unit not yet conveyed or to withdraw Units from the market and residents of the Building may be comprised of both Unit Owners and tenants. Accordingly, a Purchaser may be acquiring an Unit that has been previously occupied, but such Unit will be delivered at Closing free and clear of all leases, tenancies and rights of occupancy other than interim leases with such Purchaser or other leases or rights of occupancy of such Unit which Sponsor agreed to enter into at the request of the Purchaser of such Unit.

Sponsor and its designee reserve the right, without prior notice or amendment to the Plan, to use Unsold Units on any floor of the Building as sales and rental offices and model apartments for the Building and other buildings. In the event Sponsor or its designee thereafter elects to sell any such Unsold Units, Sponsor or its designee may require the purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the purchase

price for such Residential Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model Residential Unit or public areas or in any advertisements with respect thereto, imply or represent that any Residential Unit or public area will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to the Purchaser of the Residential Unit unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price of such Residential Unit.

Except for Sponsor's obligations to pay all sums due under the By-Laws from Sponsor and to perform other duties as a Unit Owner with respect to any Unsold Units (for so long as Sponsor owns same) and any other obligations set forth in this Plan on the part of Sponsor to perform, the foregoing sets forth the entire extent of the obligations of Sponsor hereunder and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of purchasers under their respective Purchase Agreements. Sponsor agrees to pay all Common Charges, User Charges and special assessments with respect to the Unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to the Unsold Units. Sponsor intends to meet its obligations to the Condominium through proceeds from the sale of Unsold Units and rental income from Non-Purchasing Tenants and other tenants. Sponsor makes no representations or warranties other than as set forth in this Plan. The obligations of Sponsor under this Plan and Article 23-A of the General Business Law shall survive the delivery of the deeds for the respective Units. Sponsor shall not be liable for, or obligated to defend, any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of the Closing for such Unit or the leasing thereof to any purchaser or, with respect to the Building, arising out of any occurrence taking place on or after the date of the Closing Date, except suits or claims arising out of the acts of Sponsor or the representations made by Sponsor in this Plan. Sponsor makes no representation or warranty as to any work, materials, appliances, equipment or fixtures to be provided or performed by Sponsor or located at the Property other than as set forth in the Plan. Notwithstanding anything to the contrary set forth herein, nothing contained in the Plan shall be construed as to render Sponsor liable for consequential damages (whether based upon negligence, breach of contract, breach of warranty or otherwise) it being intended that Sponsor's sole obligation shall be to perform its obligations as expressly provided in the Plan.

Sponsor has not furnished any bond or other security for the performance of its obligations under this Plan.

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

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

In accordance with Section 339-p of the Condominium Act, a registered architect or licensed Commercial engineer shall certify within reasonable tolerances that the Floor Plans are

an accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental authority having jurisdiction over the issuance of permits for the construction of the Building.

Sponsor will pay all Common Charges, special assessments and real estate taxes allocated to any Unsold Residential Units or Commercial Unit in accordance with the provisions of the By-Laws. Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Residential Units. Sponsor will fund its financial obligations from proceeds from the sales of offered Units, rental income from Unsold Units, and financing. No bond or other security will be posted by Sponsor with respect to this obligation.

Sponsor will cause the Condominium Board to maintain the Property in substantially the same condition and manner as on the Presentation Date until Sponsor no longer controls the Condominium Board.

Sponsor will initially procure on behalf of the Condominium Board the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By-Laws (see the Section entitled "Rights and Obligations of Boards of Managers") the cost of which insurance has been reflected in the Projected Budget set forth in Schedule B.

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

Sponsor is obligated to deliver to the Condominium Board all books of account and records pertaining to the Building's operation which are in Sponsor's possession on the First Closing.

Sponsor may dissolve or liquidate at any time. In the event of such an occurrence or the transfer to an investor of ten (10) or more Units or twenty (20%) percent of the Units in the Condominium, whichever is less, in connection with Sponsor's liquidation of its interest in the Residential Units, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under this Plan, applicable law or regulations. In the event of dissolution or liquidation of the Sponsor, the principals of Sponsor shall guarantee the performance of such obligations.

All representations under the Plan, all obligations pursuant to the GBL and such additional obligations under the Plan which are to be performed subsequent to the closing of each Unit will survive delivery of the deed.

Sponsor will endeavor in good faith to sell all of the Residential Units in a timely manner. However, under the terms of this Plan, Sponsor may retain ownership of the Commercial Unit, and may, if the fair market value of the Residential Units falls below (10%) percent of the prices of the Units used to declare the Plan effective, decide to rent certain Residential Units from time to time. However, so long as Sponsor is able to achieve the purchase prices listed on Schedule A as of the date the Plan is declared effective, the Sponsor is committed to selling Residential Units which represent a majority of the Common Interest in the aggregate. If Sponsor makes a bulk sale of all or some of its unsold units, the transferee successor sponsor shall be bound by Sponsor's representations regarding its commitment to sell Residential Units. Sponsor's construction financing does not contain a minimum number of units to be sold before the Plan can be declared effective or provisions relating to the renting of Units.

Sponsor, its designee and any Commercial Unit Owner shall be entitled, at no cost to Sponsor, its designee or the Commercial Unit Owner, to receive a non-disturbance agreement from the Condominium Board with respect to any lease that Sponsor enters into for a Commercial Unit.

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

The foregoing sets forth the entire obligations of Sponsor hereunder and no others shall be implied, except that nothing contained herein shall be deemed to limit the rights of Residential Unit Owners under their respective Purchase Agreements or to include any financial limitation on Sponsor's liability for failure to perform its obligations under the Plan. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures other than as set forth in the Plan.

Obligations of Sponsor hereunder with respect to the Residential Section shall be enforceable by the Residential Board on behalf of Residential Unit Owners and obligations with respect to the General Common Elements shall be enforceable by the Condominium Board on behalf of all Unit Owners. Sponsor shall have no obligation to any Purchaser of a Unit other than the Purchasers to whom Sponsor sold Units.

Except as set forth above or as required by law or governmental regulation, Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time it is called upon to perform. No representation can be made that it will be financially able to perform any or all of such obligations. Unless expressly provided to the contrary herein, the obligations of Sponsor under the Plan shall survive the delivery of the respective Residential Unit deeds. In the event Sponsor is not financially able to perform its

obligations under the Plan, sales will cease and the Plan will be amended to offer rescission to purchasers, if any.

Leasing and Use of Unsold Units

Sponsor reserves the right to lease unsold Residential Units if the Sponsor is unable to sell some of the Residential Units for the prices indicated on Schedule "A", as such Schedule may be amended from time to time. In such event, Sponsor will resume selling the Residential Units at such time as the Units can be sold for terms that are acceptable to Sponsor although Sponsor will endeavor to sell all the Residential Units in a timely manner.

Sponsor or its designee further reserves the right to use or occupy itself or to rent or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between such parties) any Residential Unit not conveyed or with respect to which a Purchase Agreement is not then outstanding and residents of the Condominium may be comprised of both Unit Owners and tenants. Accordingly, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at Closing free and clear of all leases, tenancies and rights of occupancy.

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

UNSOLD UNITS

Any Residential Units that have not been subscribed to and fully paid for prior to the Closing are Unsold Units. Sponsor, and other individuals designated to hold Unsold Units by Sponsor, will be known as the holder(s) of Unsold Units. At or prior to the Closing, all of the Unsold Units will be acquired by Sponsor or by other financially responsible individuals. Units will cease to be Unsold Residential Units once purchased for occupancy or if a holder of Unsold Units, a principal of Sponsor or a person related by blood or marriage to a holder of Unsold Units or a principal of Sponsor takes occupancy of the apartment to which the Unsold Units are allocated.

A holder of Unsold Units shall comply with the trust fund and escrow provisions of GBL sections 352-h and 352-e subdivision (2-b).

Sponsor represents that it has the financial resources to meet its obligations with respect to the Unsold Units, which it intends to fund in part from projected sales of the Residential Units and from rents collected from tenants in the apartments whose Residential Unit it holds. Sponsor has agreed that if a holder of Unsold Units fails to fulfill its obligations under the By-Laws, Sponsor will be liable therefor until such time as the Unsold Units cease to be Unsold Residential Units (at which time Sponsor will no longer be responsible for the performance of the obligations under the By-Laws. The Condominium will have a lien on all Unsold Units to secure the payment of their obligations. Sponsor has furnished no bond or other security, and Sponsor's ability to perform will depend solely upon its financial condition if and when called upon to perform.

Unsold Units may be sold and assigned by their holders, and the corresponding apartments sublet, without the consent of or requesting or obtaining a waiver of the right of first refusal from, the Condominium Board and without payment of or incurring any charge imposed by the Managing Agent or the Condominium in connection with such sale or sublease.

Among other rights, a holder of Unsold Units shall have the right to mortgage the Unsold Units as collateral for a loan.

A holder of Unsold Units will have the same right as Sponsor to change the size and/or layout of the apartment(s) into 2 or more apartments or to combine all or any portion of any such apartment(s) into one or any desired number of apartments by duly filed amendment to this Plan. A resulting reallocation of common interests shall be based upon the fair market value of the equity in the Property attributable to the subdivided or combined apartment, but the total number of common interests reallocated shall remain the same. Changes in an apartment's layout will be made in compliance with applicable law, ordinances, orders, rules and regulations. A holder of Unsold Units may use an Unsold Apartment as a model or sales or rental office.

A holder of Unsold Units will amend the Plan to provide current and accurate information about the offering, including the same information about the holders of Unsold Units as is required for principals of Sponsor, until the Unsold Units have been sold to bona fide purchasers or have otherwise ceased to be Unsold Units. A holder of Unsold Units will also provide prospective purchasers with a copy of the Plan and all filed amendments.

PURCHASERS FOR INVESTMENT OR RESALE

A purchaser for investment or resale is a purchaser who purchases the Units allocated to 3 or more apartments that are not for occupancy by such purchaser or by persons related by blood, marriage or adoption to such purchaser.

A purchaser for investment or resale must:

(a) register as a dealer under GBL Section 359-e (unless already registered);

(b) comply with the trust fund and escrow provisions of GBL Sections 352-h and 352-e, subdivision (2-b);

(c) provide copies to a prospective purchaser, at no cost to purchaser, 3 business days before entering a Subscription Agreement, of the following:

(i) the most recent financial statement of the Condominium and the most recent budget of projected expenses, if any;

(ii) notices from the Condominium of changes in the maintenance charges, potential assessments, planned major capital improvements and proposed refinancing of the Building's mortgage(s), if any;

(iii) pleadings in pending lawsuits or proceedings if the outcome may affect the apartment, its tenant, if any, or the seller's capacity to perform its obligations under the Subscription Agreement;

(iv) if the apartment is occupied, the tenant's lease and a representation of the tenant's status under Rent Laws;

(v) the Declaration and By-Laws as may be amended; and

(vi) notices of uncured violations of record in the Unit that are the Unit Owner's responsibility to cure under the By-Laws, if any.

Neither Sponsor nor the holders of Unsold Units, the Selling Agent or their respective principals, agents and employees, shall be liable if a purchaser for investment or resale fails to comply with the foregoing requirements.

CONTROL BY SPONSOR

Sponsor as the owner of Unsold Units will, at its option, have voting control of the Condominium Board and the Residential Board during the period which continues until the earlier to occur of: (i) the Sponsor and its designees as Holders of Unsold Units own less than fifty (50%) percent of the aggregate Common Interests pertaining to all Units or (ii) five (5) years after the First Closing (the "Sponsor Control Period"). During the Sponsor Control Period of the Condominium Board, the Commercial Board and/or the Residential Board, Sponsor would be able to control maintenance, facilities and services to be provided to Unit Owners, the Commercial Unit Owner and/or Residential Unit Owners as the case may be and would determine the Common Charges to be paid by all Unit Owners, the Commercial Unit Owner and/or Residential Unit Owners, as the case may be and the enforcement of Sponsor's obligations by said Board(s).

Sponsor will cause the Condominium Board to maintain the Property in substantially the same condition and manner as on the Presentation Date until Sponsor no longer controls the Condominium Board.

After the end of the Sponsor Control Period, a majority of the Residential Board must be Residential Unit Owners who are not employees or relatives of the Sponsor and its principals, although the Sponsor can continue to vote the Unsold Interests in all elections. Within thirty (30) days after the end of the Sponsor Control Period, the Sponsor will call a special meeting of the Unit Owners at which time the Unit Owners will elect members to the Condominium Board and Residential Board to replace the positions the Sponsor is relinquishing.

The Residential Board shall initially consist of two (2) persons designated by Sponsor, and the Condominium Board shall initially consist of the two members of the Residential Board, and one person designated by the Commercial Unit Owners (who shall comprise the initial Commercial Board).

The Residential Board will call for a special meeting of the Residential Unit Owners to elect a new Residential Board (the "First Annual Meeting") no later than one hundred and eighty (180) days after the Closing of a majority of the Residential Units. The First Annual Meeting shall be held not less than 10 days nor more than 40 days after such date.

Commencing with the First Annual Meeting, the Residential Board shall consist of seven (7) persons. The members of the Residential Board shall also serve as members of the Condominium Board.

At the First Annual Meeting and at all times thereafter, Sponsor may be able to elect some or all of the members of the Residential Board as a result of its ownership of or interest in Unsold Residential Units. Sponsor shall retain voting control of the Residential Board (and the Condominium Board) if Sponsor and its designees are able to cast sufficient votes at such meetings to establish such control. In addition, Sponsor, for so long as Sponsor owns at least two (2) Residential Units, shall have the right, at its option, to designate at least one member of the Residential Board.

Until Sponsor or its designee has conveyed title to seventy-five (75%) percent of all of the Units, but in no event later than five (5) years after the First Closing, whichever shall first occur, the Condominium Board and the Residential Board may not take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements or to any Residential Unit, (b) assess any General Common Charges or Residential Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium or on behalf of the Residential Section, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board or the Residential Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

Notwithstanding the foregoing, for as long as Sponsor has the voting power to elect all members of the Residential Board and the Commercial Board, the Residential Board shall have two (2) members, the Commercial Board shall appoint one (1) member and the Condominium Board shall have three (3) members. The By-Laws do not include a provision that after the Sponsor Control Period, a majority of the Board must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals.

CONDOMINIUM BOARDS

The affairs of the Condominium shall be governed by the Condominium Board, which shall initially be comprised of one (1) representative of the Commercial Board and two (2) members of the Residential Board. Initially, the Condominium Board members shall be designated by Sponsor and the owner of the Commercial Unit and the Condominium Board members so designated shall also serve as the Residential Board and the Commercial Board, respectively. On or before the date which is no later than one hundred and eighty (180) days after the Closing of a majority of the Residential Units, the Residential Board will call for the First Annual Meeting of Residential Unit Owners, such meeting to be held not less than 10 days nor more than 40 days after such date. At the First Annual Meeting, the incumbent Residential Board shall resign and the Residential Unit Owners shall elect a new Residential Board consisting of seven (7) members. (See the Section entitled "Control by Sponsor.") Thereafter, at each annual meeting, members of the Residential Board shall be elected and shall serve until the next annual meeting thereof and until a successor has been elected and qualified. The members of the Residential Board shall also serve on the Condominium Board. The Commercial Unit Owners shall each be members of the Commercial Board and shall appoint two (2) members to the Condominium Board.

Special meetings of the Unit Owners can be called by the President of the Board, by a majority of the Board, or by a petition signed by 25% in Common Interests of Residential Unit Owners.

Except for Board members designated by Sponsor or its designee, all members of the Residential Board must be either Residential Unit Owners or certain interested parties (e.g. directors, shareholders of Unit Owners) as described in the By-Laws. No member of the Residential Board shall continue to serve on the Residential Board if, during his term of office, said member shall cease to be a Residential Unit Owner or an interested party. All Board members shall serve without compensation.

The Boards shall collectively have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. Generally, all determinations which affect only the Residential Section and do not adversely affect the Commercial Section, the Commercial Unit Owners or the business of the tenants or occupants thereof, shall be made by the Residential Board. Similarly, all determinations which affect only the Commercial Section and do not adversely affect the Residential Section or the use of Residential Units for their permitted purposes, shall be made by the Commercial Board. The By-Laws provide that the Commercial Unit may be used for any lawful purpose, including, but not limited to, retail stores, banks, restaurants, health clubs, theaters, and Commercial offices except for certain limitations as more fully described in the Section of the Plan entitled "Commercial Unit", and that no sale, lease, sublease or use of any Commercial Unit shall be deemed to adversely affect the Residential Section. Generally, all other determinations with respect to the administration of the affairs of the Condominium including those which (i) relate to the Residential Section and do not adversely affect the Commercial Section, and vice versa, or (ii) relate to or affect the General Common Elements, shall be made by the Condominium Board.

As more fully set forth in the By-Laws, (i) all determinations required to be made by the Residential Board or the Commercial Board shall be by majority of the votes cast at any meeting at which a quorum is present, and (ii) all determinations required to be made by the Condominium Board shall be by majority of the votes cast at any meeting at which a quorum is present. Any dispute between the Residential Board and the Commercial Board as to which Board or entity shall be entitled to make any determination or with respect to any matter the determination of which is entitled to be made by the Condominium Board shall be settled by arbitration in the manner provided in the By-Laws.

For convenience of operation of the Condominium, any Board may designate any other Board to act as its agent with respect to any matters the determination concerning which is entitled to be made by such designating entity.

Annual meetings of Residential Unit Owners shall be held within approximately thirty (30) days of each anniversary of the First Annual Meeting. At such meetings, the Residential Unit Owners shall elect the seven (7) member Residential Board, subject to any rights of Sponsor to designate Board members, and there shall also be transacted such other business as may properly come before such meetings. In addition, special meetings may be held from time to time pursuant to the By-Laws. The Secretary of the Residential Board shall mail a notice of each annual or special meeting of the Residential Section to all Residential Unit Owners of record. The notice, which will generally be given at least ten (10) days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Residential Unit Owners, the presence in person or by proxy of Residential Unit Owners owning more than fifty (50%) percent of the Common Interests attributable to all Residential Units shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Residential Unit Owners. Except as otherwise provided in the By-Laws or Declaration, if any joint meeting between Residential Unit Owners and the Commercial Unit Owner is held, the presence in person or by proxy of more than fifty (50%) percent of the Common Interests attributable to all Units shall constitute a quorum and a majority of votes cast at any such meeting at which a quorum is present shall be binding on all Unit Owners.

At all meetings, each Unit Owner (or his proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Residential Units) shall be entitled to cast one vote for each Unit that he or she owns.

The principal officers of the Residential Board shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Residential Board. The principal officers of the Condominium Board shall be a President who shall be the same person serving as President of the Residential Board, a Vice President and Treasurer who shall be the same person serving as President of the Commercial Board and a Secretary who shall be the same person serving as Secretary of the Residential Board. The initial members of the Condominium Board shall be Jack Rosen, Mark Sarna, and Stuart Forgash, who shall serve as President, Vice President, Secretary/Treasurer of the Condominium Board respectively. Each of these individuals is a principal of or is affiliated with the Sponsor or its principals. The Condominium Board and the Residential Board may appoint additional officers. Except as otherwise provided by the Board for which he serves, no officer shall receive any compensation for acting as such.

The By-Laws provide that all instruments of the Condominium Board or of the Residential Board are to be executed by any officer thereof or by such other person or persons as may be designated by the applicable Board. However, any significant expenditure by the Condominium Board must be countersigned by two members of the Condominium Board, one of whom is also a member of the Residential Board and the other having been designated as a member of the Condominium Board by the Commercial Unit Owners.

The term of office of the members of the Residential Board and Condominium Board shall be for one year or until their successors are elected. Members of the Residential Board and Condominium Board shall serve without compensation. Any member of the Residential Board may resign at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Residential Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein.

A member of the Residential Board designated or elected by the Residential Unit Owners may be removed with or without cause by an affirmative vote of a majority of Residential Unit Owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Residential Unit Owners; provided, however, that Residential Board members designated by Sponsor may only be removed with cause and replaced by another Sponsor designee. No member of the Residential Board shall continue to serve on the Residential Board if, during his term of office, said member shall cease to be a Residential Unit Owner or an interested party as described in Section 2.1 of the By-Laws; provided, however, that this provision respecting Residential Unit ownership and Residential Board membership shall not apply to members of the Residential Board designated by Sponsor or its designee.

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

All officers, Board members and employees of the Residential Section and of the Condominium may be bonded at the Residential Board's discretion from and after the First Closing under fidelity bonds in favor of the Residential Section and the Condominium.

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

Notwithstanding any provision contained in the By-Laws to the contrary, no amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Commercial Unit Owner(s), with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Commercial Unit Owner, (b) without the prior written consent of Sponsor or its designee or the owner of any Unsold Residential Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Residential Unit, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Residential Unit or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Residential Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit.

It is possible that amendments, modifications, additions or deletions of or to the Declaration, By-Laws and Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Section, the subdivision of any Commercial Unit into individual Commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Unit. In connection therewith, the Commercial Board may, subject to compliance with all applicable laws and governmental regulations, if any, cause the Declaration, By-Laws and Rules and Regulations to be amended, modified, added to or deleted from and the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners.

The By-Laws do not include a provision that after the Sponsor Control Period, a majority of the Board must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARDS OF MANAGERS

Sales and Leases of Units

Each Residential Unit Owner may sell or lease his or her Residential Unit provided such Unit Owner (the "Transferor") first gives the Residential Board, on behalf of all Residential Unit Owners, notice of his or her intention to sell or lease such Unit and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically provided in Article 8 of the By-Laws. If the Residential Board does not elect to purchase or lease the Residential Unit within twenty days after receipt of the offering Residential Unit Owner's notice, the Transferor will have an additional sixty days to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in said notice. In the event such written agreement is not executed by the Transferor within said sixty-day period or such sale or lease is not consummated within an additional sixty days following the expiration of said sixty-day period, the Transferor will be required to again first offer the same to the Residential Board, provided that the Residential Board shall be entitled to waive, or to permit an extension of, either or both of such sixty day periods. The Residential Board may not exercise its option to purchase or lease any Residential Unit without prior approval of a majority in interest of Residential Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. In any vote of all the Residential Unit Owners, the Transferor shall have the right to vote in any vote conducted by the Residential Board for the purpose of determining whether the Residential Board shall exercise its right of first refusal to purchase or lease the Transferor's Unit. Any such deed given by a Transferor shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Residential Board, that the tenant shall not assign the lease or sublet the demised premises or any part thereof without the prior consent in writing of the Residential Board, and that the Residential Board, if permitted by applicable law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

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

A Residential Unit Owner may lease, sell or convey the Residential Unit to a spouse, adult child or grandchild, parent, grandparent or adult sibling, may convey his Residential Unit by gift, may devise his Residential Unit by will, or have it pass by intestacy, without complying with the foregoing restrictions; provided, however, that each succeeding Residential Unit Owner shall be bound by, and his Residential Unit shall be subject to, the preceding restrictions. In

addition, any Residential Unit Owner may lease, sell or convey the Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws.

The restrictions upon the sale and lease of Residential Units shall not apply to Sponsor or its designee with respect to any Unsold Residential Units or to Residential Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, and they shall be free to sell or lease without first offering to sell or lease to the Residential Board. Such restrictions shall also be inapplicable to the Commercial Unit, whether owned by Sponsor or its designee or by any subsequent owner or by any mortgagee, and, subject to compliance with applicable laws and governmental regulations, if any, the Commercial Unit Owner shall be free to sell, lease, mortgage or otherwise transfer or hypothecate all or any part of the Commercial Unit.

A Residential Unit Owner may only sell or lease such Unit Owner's entire Unit. In addition, each conveyance of a Unit by a Residential Unit Owner shall include, as part of the property to be conveyed, such Residential Unit Owner's undivided interest in (a) the Residential Common Elements, the Residential Common Elements, Residential Limited Common Elements and the General Common Elements, (b) any Unit or Units acquired by the Residential Board on behalf of all Residential Unit Owners, or any proceeds of the sale or lease thereof and (c) any other assets of the Residential Section and the Condominium. No part of the Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Unit Owners. A Residential Unit may not be conveyed unless all unpaid Residential Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to closing. In addition, the Residential Board may establish reasonable fees for the processing of sale and lease notices, which shall be payable by the selling or leasing Residential Unit Owner, as the case may be, to the Managing Agent.

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

Use of Units

Residential Units may be used as a residence or for any lawful purpose, provided such use is permitted by law, does not violate the then existing Certificate of Occupancy or the Deed Restrictions covering such Residential Unit and complies with all applicable governmental regulations.

Each Unit Owner shall notify the Managing Agent in writing when a child or children under the age of ten (10) years lives or resides (even temporarily) in the Unit. The Condominium shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent.

Sponsor or its designee may, without the permission of the Residential Board (a) use or grant permission for the use of any Unsold Residential Unit as a Commercial office or for any other purpose, provided such use is permitted by law, does not violate the then existing Certificate of Occupancy covering such Residential Unit and the user of such Unit complies with all applicable governmental regulations and (b) retain ownership of one or more Residential Units for use as models and sales, rental and/or promotion offices in connection with the sale or rental of other Residential Units in the Condominium.

The current zoning law permits a person who resides in a Residential Unit to use up to 25% of the floor area of his Unit (but in no event to exceed 500 square feet) for certain home occupations including a fine arts studio, Commercial offices (e.g., lawyer, doctor or dentist) and teaching of not more than four persons. No transient tenant may be accommodated in a Residential Unit, except in Unsold Residential Units, as permitted by law.

The Commercial Unit can only be used for commercial purpose as permitted in the New York City Zoning Resolution. No income derived from any use of the Commercial Unit will constitute income to the Condominium Board or Residential Unit Owners.

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

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

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

No pets may be kept in a Residential Unit without the consent of the Residential Board. Each Residential Unit Owner who is permitted to keep any type of pet in his or her Residential Unit will be required to: (a) indemnify and hold harmless the Condominium, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all reasonable Rules and Regulations of the Residential Board adopted with respect thereto; and, (c) clean up after their pet.

Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his or her own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations concerning the use of Residential Units may be amended from time to time by the Residential

Board provided that copies thereof are furnished to each Residential Unit Owner prior to the time that they become effective (except that no amendment thereof affecting the Commercial Unit or Unsold Residential Units may be made unless agreed to by the Commercial Unit Owner or Sponsor or its designee, as the case may be). Further restrictions on the use and leasing of Residential Units are set forth in the By-Laws and Rules and Regulations.

Mortgage of Units by Unit Owners

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

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

Common Charges: Determination and Assessment

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

Commercial Common Expenses will be determined and borne solely by the Commercial Unit Owners. Commercial Common Expenses include, among other things, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Commercial Common Elements.

General Common Expenses which include, among other things, the costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements and certain other expenses common to all Unit Owners, such as premiums for insurance covering the Building, managing agent fees and legal and accounting fees will be determined by the Condominium Board. Generally, such expenses will be allocated to the Residential Board and the Commercial Unit Owner pro rata in accordance with their aggregate respective Common Interests. The Residential Board will then allocate its pro rata share of such expenses among the Residential Unit Owners in accordance with their respective Residential Common Interests.

In the event that the annual receipts levied against Unit Owners during the first year of condominium operation commencing on the date of First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of $100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Sponsor during the first year of condominium operation will be distributed by the Condominium Board to Sponsor and the Residential Unit Owner(s) in proportion to the amount of time Sponsor and each Residential Unit Owner owned such Unit. Sponsor makes no representations that there will be any excess receipts for rebate to Residential Units Owners or, if rebates are made, what the tax consequences of such rebates would be to Residential Unit Owners. See the Attorney's Tax Opinion in Part I of the Plan for further discussion regarding the income tax consequences of the ownership of Residential Units by individual Unit Owners.

At least annually (a) the Condominium Board will prepare a budget for General Common Expenses and allocate, as aforesaid, and assess General Common Charges to the Residential Board and the Commercial Board to meet such expenses and (b) the Residential Board will prepare a budget for Residential Common Expenses and allocate, as aforesaid, and assess among all Residential Unit Owners, Residential Common Charges to meet (i) Residential Common Expenses and (ii) the Residential Board's pro rata share of General Common Expenses.

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

Common Charges: Collection and Lien for Non-Payment

Under the provisions of the By-Laws, (a) the Residential Board, on behalf of all Residential Unit Owners, will have a lien on each Residential Unit for unpaid Residential

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

The Residential Board or the Board of Managers may make any lien against a Unit Owner effective pursuant to Real Property Law §339-aa. The Sponsor will cause the Board to file a lien as provided in RPL §339-aa on a Unit owned by Sponsor if the Sponsor is more than thirty (30) days in arrears in paying Common Charges while Sponsor controls the Board.

No Unit Owner may exempt himself or herself from liability for his or her Common Charges by waiving use of any of Common Elements or by abandonment of his or her Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a permissible sale, transfer or other conveyance by him or her of such Unit. In addition, as more specifically set forth in the By-Laws, (a) a Residential Unit Owner may, by conveying his Unit without consideration to the Residential Board and complying with certain conditions in connection therewith, exempt himself from Residential Common Charges thereafter accruing, and (b) the Commercial Unit Owners of any Commercial Unit may, by conveying the Commercial Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, be exempt from General Common Charges thereafter accruing.

On a resale of a Residential Unit, the seller thereof will be liable for the payment of Residential Common Charges accrued and unpaid against such Unit prior to his or her acquisition. Prior to the permissible sale, transfer or other conveyance of a Residential Unit, any seller or purchaser of a Residential Unit shall be entitled to a statement (an "Estoppel Letter") from the Residential Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in such statement. In the event of a foreclosure by either Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the Unit Owner will remain liable for the unpaid balance. Neither (a) a Permitted Mortgagee (as defined in the Condominium Declaration)

acquiring title to a Unit at foreclosure sale nor (b) a purchaser at a foreclosure sale shall be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such Permitted Mortgagee or purchaser. However, such Permitted Mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. The Residential Board will have the right to assess such unpaid balance as a Residential Common Charge among all Residential Unit Owners.

RPL §339-jj - Borrowing by Board of Managers

Subsection jj to Section 339 of the Real Property law ("RPL") authorizes the Condominium Board to incur debt provided that such debt (a) is incurred no earlier than the fifth anniversary of the First Closing and (b) is approved by Unit Owners owning Units to which there is appurtenant a majority of the Common Interests. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be deemed trust funds for the purpose of paying such debt. The Condominium Board cannot secure such debt by a lien on the Common Elements without the consent of all Unit Owners.

Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, and routine maintenance, repairs and replacements, (a) in or to any Unit (other than to the General Common Elements or Commercial Common Elements or Residential Common Elements included therein), including the individual heating and cooling systems and the interior side of entrance doors thereto, will be made by the owner of such Unit at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to the Residential Board and the Commercial Board as a General Common Expense, (c) in or to the Residential Common Elements, and the Residential Limited Common Elements be made by the Residential Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense and (d) in or to the Commercial Common Elements will be made by the Commercial Unit Owner at its sole cost and expense. Notwithstanding the foregoing, any repairs by Residential Unit Owners to the radiators within each Residential Unit shall only be made by contractors or servicemen who have been previously approved by the Residential Board.

The Declaration further provides that if a Commercial Limited Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Limited Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Limited Common Element at their sole cost and expense.

Notwithstanding the above, all normal maintenance, repairs and replacements of any Terrace shall be made by the Residential Unit Owner having access to same, at his or her own cost and expense, but any structural repairs to such Terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) will be made by the Residential Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense. Any Residential Unit having access to a Terrace shall keep it free of snow, ice and accumulation of water. In accordance with the By-Laws, the Residential Board may require a Residential Unit Owner to remove plantings and other installations on such Unit Owner's Terrace, if the Residential Board, in its reasonable discretion determines that such plantings and other installments adversely affects the integrity of the roof.

The interior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and are to be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense. The exterior glass surfaces of all Residential Section windows may, at the option of the Residential Board, be washed and cleaned by the Residential Board and the cost thereof shall be a Residential Common Expense; otherwise Residential Unit Owners shall be obligated to clean such windows at their own cost and expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Residential Board at the sole cost and expense of the owner of such Residential Unit (unless such breakage is caused by the Residential Board, the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Residential Board, the Condominium Board or such Unit Owner).

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or appropriate Board, whichever is responsible for the maintenance thereof. In the event any Unit Owner fails to keep his or her Unit in such condition, the appropriate Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default. (See the Section entitled "Rights of Access.")

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

In addition, the Rules and Regulations require that at least eighty (80%) percent of the floor area of Residential Units (except for kitchens, bathrooms, closets and foyers) be covered with rugs, carpeting or equally effective noise-reducing material.

Alterations and Improvements of Units and Common Elements

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

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

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

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

No application or other document shall be filed with any governmental authority for a permit covering an addition, alteration or improvement to be made in a Residential Unit, unless approved and executed, if necessary, by the Residential Board or, if required, by the Condominium Board. The Residential Board (or the Condominium Board) will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved structural alterations, additions, improvements or repairs, provided that the Residential Board, the Condominium Board and the Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to any contractor, subcontractor, materialman, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Residential Unit, provided any alteration to such Unit shall be in accordance with, and only as permitted by, the Condominium Act and all governmental regulations. Under the terms of the By-Laws, Sponsor is authorized on behalf of the Boards to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units, Commercial Unit and Common Elements as Sponsor is entitled to perform in accordance with the terms of the Declaration and the By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the "Required Documentation") and, the appropriate Board, if requested by Sponsor is obligated to execute the Required Documentation. In addition, the power of attorney to be executed by each Residential Unit Owner upon acquisition of the Residential Unit further grants to Sponsor a power of attorney to execute the Required Documentation.

In the event that any alterations, additions, improvements or repairs made by any Residential Unit Owner materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance of a temporary or permanent certificate of occupancy for such Unit, other Units or the Building, then upon the written request of Sponsor, the Condominium Board or the Residential Board, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring

the Unit within fifteen (15) days of receipt of the written request, then the party requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any remedies provided in the By-Laws.

Generally all alterations or improvements in or to the General Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to the Residential Board and the Commercial Board as a General Common Expense. Repairs, maintenance replacements, restorations, improvements, alterations and additions in or to the Residential Common Elements will be made by the Residential Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense; and alterations, additions or improvements in or to the Commercial Common Elements will be made by the Commercial Board and the cost and expense thereof will be charged to all Commercial Unit Owners as a Commercial Common Expense.

The Commercial Unit Owners, without the consent of the Residential Board or the Condominium Board may make any alteration, addition, improvement or repair in or to any Commercial Unit or the Commercial Common Elements provided that the work is performed by the Commercial Unit Owners in compliance with governmental laws and regulations and in accordance with all conditions described in the Declaration. Sponsor, without the consent of the Residential Board, the Commercial Board or the Condominium Board, may make any alteration, addition, improvement or repair in or to any Unsold Residential Unit or the Common Elements provided that the work is performed by Sponsor in compliance with governmental laws and regulations and in accordance with all conditions described in the Declaration. In addition, Sponsor and the Commercial Unit Owners may erect, maintain, repair and replace, or permit their tenants to erect, maintain, repair or replace, from time to time, one or more signs on the Property for the purpose of advertising the availability of Units for sale or rental any Unsold Residential Unit or Commercial Unit or operation of any business of a tenant or occupant of the Commercial Unit including, but not limited to, signs on the facade of the Building and on any awnings, canopies or other protrusions from the facade of the Building.

Rights of Access

As more fully set forth in the By-Laws, each Board and any managing agents, managers, superintendents and other persons authorized by any Board, will have a right of access to any Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by law or governmental regulation, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the tenants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Sponsor shall have a right of access to any Unit for the purpose of performing punch-list work or for the purpose of performing or completing construction in the Building.

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

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

Examination of Books and Records

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

Repair or Reconstruction after Fire or Other Casualty

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

If only the Commercial Section is destroyed or damaged by fire or other casualty and if the net insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owners will bear the entire amount of the deficit, or shall receive all of the surplus, as the case may be. Similarly, if only the Residential Section is damaged or destroyed by fire or other casualty and the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all Residential Unit Owners in proportion to their respective Common Interests. If said damage or destruction by fire or other casualty affects the Commercial Section, the Residential Section and the General Common Elements, or any combination thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Residential Section, Commercial Section and General Common Elements bears to the total cost of repairing all damage or destruction. However, the Commercial Board shall still have the right to make all arrangements for the prompt repair and restoration of the Commercial Unit to the extent they are affected by such damage or destruction. If said damage or destruction, however, affects only the General Common Elements, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds shall be made to a Unit Owner until there has first been paid out of his share of such funds such amounts as may be necessary to reduce unpaid liens on his Unit, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

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

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Board entitled to adjust such loss in the event of a loss amounting to $1,000,000 or less. In the event that such proceeds are in excess of $1,000,000, such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

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

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

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

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

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as such Board may from time to time determine, covering (1) each Board, the Managing Agent or agents thereof, each Board member and each officer and employee of the Condominium and Residential and Commercial Sections, (2) the Commercial Unit Owners, and all officers, directors and employees thereof, and (3) each Residential Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within his or her own Unit or within the Residential Limited Common Elements, if any, exclusive to his or her Unit. The Condominium Board shall review such limits not less than once each year. Until the first meeting of the Condominium Board following the First Annual Meeting of Residential Unit Owners, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as such Board determines. The premiums for all insurance referred to above shall be a General Common Expense and shall be borne by the Residential Board and the Commercial Board in such proportions between them, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or such other parties designated by the Condominium Board). If any such insurance carrier, agent, broker or other party fails to make such determination and the Residential Board and the Commercial Board fail to agree on a determination or if either disagrees with any such determination made by such insurance carrier, agent, broker or other party, the matter shall be determined by arbitration pursuant to the By-Laws.

The Condominium Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum coverage as established by the Condominium Board from time to time and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the apartment or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time

to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. The Condominium Board and the Managing Agent shall not be responsible for ensuring that Unit Owners as insured and shall have no liability for the failure of a Unit Owner to have insurance. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

Liability of Boards of Managers and Unit Owners

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

Reports to Unit Owners

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

Termination of Condominium

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

conveyed title to all Residential Units, provided that in no event shall Sponsor's consent be required more than five (5) years after the First Closing. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his or her Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

Units Acquired by Residential Board or Commercial Board

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

The purchase of any Unit by the Residential Board or the Commercial Board or their designees, on behalf of their respective Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of such Board. If the funds in such accounts are insufficient to effectuate any such purchase, such Board may levy an assessment against each Residential Unit Owner or Commercial Unit Owner, as the case may be, in proportion to his respective Common Interest, as a Residential Common Charge or Commercial Common Charge, as the case may be, and/or such Board may, in its discretion, finance the acquisition of such Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements.

Procedure to Review Real Estate Tax Assessments

The Residential Board, on behalf of and as agent for all Residential Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units. All Residential Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Common Interests. In the event any Residential Unit Owner individually seeks to have the assessed valuation of his Unit reduced by bringing a separate certiorari proceeding, the Residential Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies the Residential Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings. The Commercial Unit Owner will have the right to commence certiorari proceedings on their own at their sole cost and expense.

Mechanics' Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the General or Limited Common Elements except with the unanimous consent of all Unit Owners affected thereby. Liens may arise or be created against only the several Units and their respective Common Interests. Labor performed on, or materials supplied to, a Unit may not be the basis for a mechanic's lien against the Unit of a Unit Owner not expressly consenting to or requesting such work, except in the case of emergency repairs. No labor performed on, or materials furnished to, the General or Limited Common Elements shall be the basis for a lien thereon but (a) all Residential Common Charges received by the Residential Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Residential Board or the Managing Agent for the Residential Common Elements and the Residential Limited Common Elements and (b) all General Common Charges received by the Condominium Board shall constitute trust funds for the purposes of paying the cost of labor performed or materials furnished at the request or with the consent of the Condominium Board or the Managing Agent for the General Common Elements.

Easements and Name of Condominium

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Boards and the adjacent property owners. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Limited Common Elements relating to the Commercial Section or the Residential Section, as the case may be, provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes. Sponsor, and the Commercial Unit Owners shall have an easement to erect, maintain, repair and replace utility and other lines through the Residential Unit and the Residential Unit shall have an easement to erect, maintain, repair and replace utility and other lines through the Commercial Unit. In addition, Sponsor and its designees and the Commercial Unit Owners shall have an easement to erect, maintain, repair and replace any sign permitted by law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

As set forth in the Declaration, the Condominium and the Building shall be designated and known as "254 Park Avenue South Condominium". Any and all rights and interests appurtenant to such name, if same exist, are owned and controlled by Sponsor. Similarly, any and all obligations and liabilities appurtenant to such name shall be the sole responsibility and obligation of Sponsor. For so long as Sponsor owns any Units in the Building only Sponsor shall have the right to change the name of the Condominium and/or the Building, and such right may be exercised by Sponsor at any time without the vote or consent of any Board or Unit Owner.

The Declaration and By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan. A prospective purchaser should read the Plan in its entirety including the Declaration and By-Laws.

REAL ESTATE TAXES

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

The value of the Property for real estate tax purposes is determined annually by the Real Property Assessment Department of the City of New York. Under current New York State Law, increases in a property's assessed valuation due to changes in its market value are to be phased in over 5 years in equal annual increments of 20%. Any further increase in the assessed value during such 5 year period resulting from a still higher market value is to be similarly phased in over an additional 5 year period from the date of such increase. The full increased assessed value targeted to be paid at the end of 5 years is called the "actual assessed valuation". The amount of such assessed value on which taxes are computed each year is called the "transitional assessed valuation". The tax rate and assessed valuations for the 2003/2004 and subsequent Tax Years are as follows:

Tax Year	Class II (Residential) Tax Rate per $100 of Assessed Valuation	Transitional Assessed Valuation	Actual Assessed Valuation	Taxes Payable
2003/2004	12.620	$10,485,000	$12,375,000	$1,323,207
2004/2005	12.216	$11,214,000	$11,970,000	$1,369,902
2005/2006	12.396	$12,294,000	$14,535,000	$1,523,964
2006/2007	12.520	$12,753,000	$12,870,000	$1,596,676
2007/2008	12.645	$12,975,480 (est)	$13,127,400 (est)	$1,640,749(est)

The above analysis of the Transitional Assessed Valuation assumes that there are no changes to the Actual Assessed Valuation due to a physical alteration or improvement to the building. The portion of an increase in the Actual Assessed Valuation which is due to physical alterations or improvements is not phased in over are five year period, but is realized fully in the Transitional Assessment in year in which it is assessed.

Recently enacted revisions to Section 467-a of the New York State Real Property Tax Law provide a partial abatement of real estate taxes for residential condominium and cooperative units through and including the 2007/2008 Tax Year (the "Condominium Abatement Program"). The abatement is not available to Sponsor or any party owning three or more Units in the Condominium. Furthermore, there are certain limitations on receiving a partial abatement under the Condominium Abatement Program if the unit is receiving a tax exemption or abatement under another program. The amount of the abatement available under the Condominium Abatement Program is equal to 17.50% for the Tax Years 1998/99 through and including

2007/2008. Under the Condominium Abatement Program, the Condominium Board must file the application for abatement on behalf of the Unit Owners.

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

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

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

The New York City real estate taxes for the first year of Condominium operation following the First Closing (July 1, 2007 through June 30, 2008) of $1,597,931 for the residential units and $51,228 for the non-residential units are determined by taking the transitional assessed valuation for the residential portion of the property for 2007/08 of $12,636,700 and using projected tax rates for the Units. These figures assume an approximately 2% increase in the actual assessment in the 2007/08 tax year. The non-residential assessment is projected at $444,180 for the 2007/08 tax year. The assessments for 2007/08 and tax rates for the 2006/07 and 2007/08 tax year have not been set, are estimates only and are subject to the disclaimers contained in the hereinafter paragraphs.

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

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method of allocating real estate taxes which will be employed by the New York City tax assessor; (ii) of the assessed value of the Property during the first year of Condominium Operation or (iii) of the tax rates in effect during the first year of Condominium operation.

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

INCOME TAX -- DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of Residential Units by purchasers who use such Residential Units as a personal residence was prepared by Sponsor based, in part, upon the income tax opinion of LeBoeuf, Lamb, Greene & MacRae LLP, counsel to Sponsor, a copy of which is set forth in Part I of this Plan.

LEBOEUF, LAMB, GREENE & MACRAE LLP IS COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF UNIT OWNERSHIP UNDER THIS PLAN.

Deductibility of Mortgage Interest and Real Estate Taxes

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

It is the opinion of LeBoeuf, Lamb, Greene & MacRae LLP that a Residential Unit Owner who uses his or her Residential Unit as a personal residence and itemizes his or her deductions will, under present law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of $1 million), plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of those limitations would not be deductible. Special limitations also apply with respect to the deductibility of points and other prepaid interest, if any, on the mortgage debt and to the overall allowance of itemized deductions.

Taxation of the Condominium

If the Condominium meets the requirements for qualification as a "homeowners association," which requirements are discussed in the Attorney's Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as income from assessments from the Commercial Unit Owner, and interest earned on any reserve funds (less expenses directly connected with the production of such income).

Sponsor anticipates that the Condominium will not qualify as a homeowners association. Assuming the Condominium does not qualify as a homeowners association, or if it does but

chooses not to make the election noted above, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Schedule B, Budget for the First Year of Condominium Operation, does not contemplate any income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership income. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by regulations relating to entity classification, which were adopted by the United States Treasury Department on December 17, 1996.

The qualification of an organization as a homeowners association is determined annually at the close of each taxable year, and it is possible that if the Condominium does not qualify in one year it may nevertheless qualify in one or more future years.

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of the City of New York will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which LeBoeuf, Lamb, Greene & MacRae LLP, as counsel to Sponsor, bases its opinion, will not change. In no event will Sponsor, LeBoeuf, Lamb, Greene & MacRae LLP, the Selling Agent, the Managing Agent or any other person connected with this offering be liable if at any time it is held that the Residential Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid give any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Units offered under this Plan, and no one has been authorized to give any warranties.

TAX OPINION OF LEBOEUF, LAMB, GREENE & MACRAE LLP

LeBoeuf, Lamb, Greene & MacRae LLP

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To ensure compliance with the Internal Revenue Service Circular 230 disclosure requirements, we inform you that the United States federal tax advice contained herein (i) is written in connection with the promotion or marketing by others of the transactions or matters addressed herein, and (ii) is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. tax penalties. Each taxpayer with respect to the subject matter addressed herein should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

May 31, 2007

254 PAS Property LLC
c/o 125 East 56th Street, 24th Floor
New York, New York 10022

Re: Condominium Offering Plan
254 Park Avenue South Condominium (the "Condominium")

Ladies and Gentlemen:

You have requested our opinion concerning (i) the deductibility, for Federal, New York State and New York City income tax purposes, of mortgage interest and real estate taxes paid by residents of New York who purchase the Residential Units for residential use pursuant to the above-referenced Condominium Offering Plan (the "Plan"), and (ii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion does not address the tax consequences of (i) the ownership of Residential Units by corporations, other entities or foreign persons, (ii) ownership of the Unsold Residential Units, any Residential Unit that is used for mixed residential/non-residential purposes, or any Units other than the Residential Units (such as the Non-Residential Unit), or (iii) any rebates or other payments that may be made, or benefits provided, to owners of Residential Units. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

In connection with rendering this opinion, we have reviewed the Plan and have examined the schedules, exhibits and documents accompanying the Plan, including the declaration establishing, and the By-Laws governing, the operations of the Condominium (the "Plan Documents"). We have also considered the relevant sections of the Code, the New York State Tax Law, the New York City Administrative Code, the regulations promulgated thereunder and such other materials as we deemed relevant. In rendering this opinion, we have assumed that the Plan is the document pursuant to which owners of the Residential Units will acquire their Residential Units and that the relevant facts are as set forth therein.

Pursuant to the Plan, the purchaser of a Residential Unit will receive legal title in fee simple to his or her Residential Unit, coupled with ownership of an undivided interest in the appurtenant Common Elements held in common with other Unit Owners. Such purchaser will have the right to place an individual mortgage on his or her separate Residential Unit and will be liable to the local tax authority for the tax assessment with respect to his or her interest in the Property. Under these circumstances, the Internal Revenue Service (the "IRS") has ruled that the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the property. Rev. Rul. 64-31, 1964-1 C.B. 300.

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

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

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

Each owner of a Residential Unit who uses his or her Residential Unit as a residence will generally be entitled to the same deduction for mortgage interest and real estate taxes paid or accrued with respect to his or her Residential Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Furthermore, purchasers should consult their tax advisers to determine the application, if any, of the New York State and New York City minimum taxes to the deduction for mortgage interest and real estate taxes with respect to their Residential Units.

If the Condominium qualifies as a homeowners association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses) directly connected with the production of such income).

To qualify as a homeowners association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least 60% of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (3) 90% or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must elect to be treated as a homeowners association, and (6) at least 85% of the total square footage of all Units within the Condominium

must be used by individuals for residential purposes. See Treasury Regulation § 1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more future years.

Based on the information contained in Schedule A to the Plan and assuming that the Residential Units are used by individuals for residential purposes under Treasury Regulation § 1.528-4, at least 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes. Based upon the foregoing and assuming (i) the actual gross income and expenditures of the Condominium for its taxable year ending December 31, 2007 (the "2007 Taxable Year") are the same (or, are in the same proportions) as the estimated gross income and expenditures for the Condominium's first year of operations, as set forth in Schedule B to the Plan, (ii) the Condominium otherwise operates in accordance with the terms of the Plan and the Plan Documents, and (iii) there are no changes in the facts and/or the relevant provisions of current law, the Condominium will be eligible to elect to be treated as a homeowners association under Section 528 of the Code for the 2007 Taxable Year.

Absent the application of Code Section 528, the present state of federal law is unclear as to the precise tax status of the Condominium. An entity classification regime was adopted in regulations issued by the United States Treasury Department on December 17, 1996 and there is no authority addressing the application of those entity classification regulations to condominiums. Because the By-Laws of the Condominium provide that the Condominium Board, the Residential Board and the Non-Residential Board (the "Boards") will each act as the agent of the Unit Owners represented by each such Board, the Boards may take the position that the Condominium is not a separate entity and accordingly is not subject to the classification regime. In such case, the Unit Owners would, in the aggregate, include in their gross income and be taxed on all income earned by the Condominium (which income may include interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Common Charges would not be considered income earned by the Condominium through the Board collecting such charges. If, however, the Condominium is considered a separate entity it is unclear whether the Condominium would be taxable as a corporation or treated as a partnership for Federal income tax purposes. If the Condominium is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax. If the Condominium is treated as a partnership, the partnership would not be subject to an entity level tax, the items of income and deduction of the partnership would generally be passed through to the Unit Owners in accordance with the provisions of Subchapter K of the Code, and the partnership would be required to file information returns.

The precise tax status of the Condominium for New York State and New York City tax purposes is also unclear. The relevant New York State and New York City laws incorporate by reference federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate

entity that is an association taxable as a corporation for Federal income tax purposes, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Condominium does not constitute an association that is taxable as a corporation for Federal income tax purposes, it is still possible, although not certain, that the Condominium might be subject to the New York State Franchise Tax. Further, in such event, it likely would be subject to the New York City Unincorporated Business Tax, unless the Condominium were eligible for and elected treatment under Code Section 528 as a homeowners association.

* *

We express no views as to any Federal, New York State or New York City tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the Plan under the laws of any other U.S. or foreign jurisdiction. Moreover, this opinion, while based on existing rules of law applied to the facts and documents referred to above, is not binding on the IRS or any court. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will the Sponsor, LeBoeuf, Lamb, Greene & MacRae LLP, the Boards, the Selling Agent or any other person be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or IRS rulings on which we have relied which cause the owners of Residential Units not to be entitled to the income tax deductions described herein, or which would affect the tax treatment of the Condominium as described herein.

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

Very truly yours,

LeBoeuf, Lamb, Greene & MacRae L.L.P.

339-I OPINION OF LEBOEUF, LAMB, GREENE & MACRAE LLP

LeBoeuf, Lamb, Greene & MacRae LLP

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May 30, 2007

254 PAS Property LLC
c/o Rosen Partners LLC
126 East 56th Street
New York, New York 10022

Re: 254 Park Avenue South Condominium
254 Park Avenue South
New York, New York (the "Condominium")

Gentlemen:

You have requested our opinion regarding the allocation of common interests to the Units at the above referenced Condominium as required by the New York Codes Rules and Regulations ("NYCRR") Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan for the referenced project (the "Plan").

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on the Schedule A of the Plan and establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based upon the factual determinations made by Penmark Realty, Inc. as set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of Penmark Realty, Inc.

Based upon and subject to the foregoing, we are of the opinion that:

1. Common Interests were allocated pursuant to the method set forth in New York Real Property Law ("RPL") Section 339-i (1)(iv), i.e., based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

2. Real Property Law Section 339-i has been complied with in assigning Common Interests to the Units.

The opinions expressed herein, while based upon existing rules of law applied to the facts and documents referred to above, do not constitute a guarantee. We undertake no obligation to update or otherwise revise such opinions in the event there are changes in the facts on which we have relied in issuing this opinion or changes in RPL Section 339-i or other applicable law.

We express no opinion as to the law of any jurisdiction other than RPL Section 339-i.

This opinion has been furnished to you in connection with the offering of units for sale at the Condominium and may not be relied upon by any other person, other than prospective purchasers, or in connection with any other transaction, provided, that we hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

LeBoeuf, Lamb, Greene & MacRae LLP

REAL ESTATE TAX OPINION OF

LEITNER GROUP

LEITNER GROUP INC.
50 EAST 42ND STREET, SUITE 900
NEW YORK, NY 10017
PHONE: (212) 682-0400
FAX: (212) 682-2233

February 17, 2006

254 PAS Property, LLC
c/o Rosen Partners LLC
126 East 56th Street, 24th Floor
New York, NY 10022

Re: Real Estate Tax Projection
254 Park Avenue South
Block 849, Lot 36
Borough of Manhattan
City and State of New York

To Whom It May Concern:

You have requested that we project the real estate tax liability for the above referenced premises (herein referred to as the subject property) for the first year of condominium operation commencing July 2007, after the condominium declaration has been filed.

All prospective purchasers are advised that although the estimate of assessed valuation is a good-faith estimate, such assessed valuation, when actually made, may be less or greater than as estimated on the following pages.

The tentative target (actual), and transitional assessed valuations for Block 849, Lot 36 for the tax year 2006/2007 are set forth as follows:

Tax Year	Actual Land	Actual Total	Transitional Land	Transitional Total	Taxable Total
2006/2007	$3,757,500	$12,870,000	$3,743,100	$12,753,000	$12,753,000

Pursuant to Real Property Tax Law ("RPTL") Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation. Therefore, the total taxable assessed valuation for the tax year 2006/2007 is $12,753,000 .

You have advised us of the following facts regarding this project:

1. 254 PAS Property, LLC is converting to condominium use an existing 13-story structure which will contain 203 residential units and one retail (herein referred to as "non-residential") unit upon completion.

2. As of the current date 23 units have rent stabilized rental status; 166 units are unregulated; and 14 units are vacant.

3. Total gross building area is 154,658± square feet above grade, according to City records. The non-residential unit will measure 4,038± square feet.

4. It has been reported to us that the first year of condominium operation is projected to begin by July 1, 2007.

There are three recognized appraisal methods which are employed by the Real Property Assessment Department to determine the full market value of income producing real property. These methods are the original cost method, capitalization of income approach, and the sales price comparison method.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a highly significant indicator of value with respect to new buildings. Relevant data used in the cost method include material and labor ("hard") costs, and financing, engineering, architectural, testing and professional fees, construction period taxes ("soft") costs.

The capitalization of income method is based upon the proposition that the annual net income generated by a property, when divided by the rate of return an investor at a given time would accept for his money in a competing investment, yields a close estimate of the market value of the property.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. However, the addition of sales price of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation. The standard for assessment for residential cooperative and condominium structures is set forth in Real Property Tax Law 581. In the case of condominiums, the method of assessment of the individual units is set forth in Real Property Law Section 339-Y. In essence, the standard of assessment prescribed by statute for cooperative and condominium structures is that these buildings are to be assessed in the same manner as are rental apartment buildings. Further, the statutes provide that the sale price of a cooperative apartment building as an entity and the sale of a condominium unit are not the measure of value for assessment purposes.

Since the tax year 1982/83, Real Property Tax Law Section 1805(3) provides for the creation of a transitional assessment system within the City of New York. Under the transitional assessment system, any increase in the assessed value of a property is phased in over a five-year period in equal installments. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitation or addition of square footage to existing structures) changes directly into the taxable assessed valuation without the five-year phase-in. The "actual assessment" is the target value which will be reached at the end of the five-year period, assuming the assessment

is not increased in the interim. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation.

In arriving at the assessed valuation for each unit in the Condominium, the building is first assessed as an entity. This overall assessment is then apportioned among the respective units, each of which will be assigned a tax lot designation once the Condominium Declaration has been recorded and the floor plans are filed with the Office of the City Registrar. Historically, the apportionment has been based primarily upon the proportion the projected selling price presented in the Offering Plan for each residential unit bears to the total offering price for all residential units available for purchase in the project (hereinafter, "Proportionate Valuation"), and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular units. We make no representations that the Department of Finance will use any particular method of apportioning assessed valuation among the units.

The subject property is currently classified as tax Class II (residential). The subject's residential units will continue to be assessed in Tax Class II, while the subject's non-residential unit will be assessed in Tax Class IV (commercial) beginning in the 2007/2008 tax year when the non-residential unit is separately assessed.

The Class II tax rate for tax year 2005/2006 is $12.396 per hundred of assessed value and the Class IV tax rate is $11.306 per hundred of assessed value. The tax rates for future tax years have not yet been announced. The chart on the following page below illustrates historical tax rates in each class since 1996/1997.

REAL ESTATE TAX RATES, NEW YORK CITY
1996/1997 TO 2005/2006

Year	Class I	Class II	Class III	Class IV
1996/97	$10.785	$11.056	$7.840	$10.252
1997/98	$10.849	$11.046	$8.282	$10.164
1998/99	$10.961	$10.739	$8.800	$10.236
1999/2000	$11.167	$10.851	$9.398	$9.989
2000/2001	$11.255	$10.847	$10.540	$9.768
2001/2002	$11.609	$10.792	$10.541	$9.712
First-Half 2002/2003	$11.936	$10.564	$10.607	$9.776
Second-Half 2002/2003	$14.160	$12.517	$12.565	$11.580
2003/2004	$14.550	$12.620	$12.418	$11.431
2004/2005	$15.094	$12.216	$12.553	$11.558
2005/2006	$15.746	$12.396	$12.309	$11.306

Source: New York City Department of Finance

Prior to 2002/03, the tax rates had remained fairly stable for most of the 1990's, with a declining trend between 1998 and 2002. The 2002/2003 tax rates reflect the across-the-board property tax increases put in place by the Bloomberg administration to deal with the City's recent severe budget crisis. The New York City Council passed a bill increasing the real estate tax rates for the City of New York by 18.49%. The 2003/2004 through 2005/2006 tax rates have reflected increases more in line with historical trends. The Class II rate has seen average annual increases of 1.3% since 1996/1997 and an average annual decline of 0.6% excluding the 2002/2003 tax increase. The Class IV rate has seen average annual increases of 1.1% since 1996/1997 and an average annual decline

of 0.8% excluding the 2002/2003 tax increase.

It is our belief that the 2002/2003 tax increase was a one-time measure enacted to close the budget gap, and that future increases will continue to be moderate. However, Leitner Group, Inc. makes no representations or warranties with respect to the projected tax rates for the 2006/2007 or subsequent tax years to be adopted by the New York City Council.

We have assumed, for the purpose of this tax projection, that tax rates will increase at 1% per annum above the 2005/2006 rates for future tax years. Therefore, the 2006/2007 Class II tax rate would amount to $12.520 per $100 of assessed value and the 2007/2008 Class II tax rate would amount to $12.645 per $100 of assessed value. The 2007/2008 Class IV tax rate would amount to $11.533 per $100 of assessed value.

The subject property has an actual assessed value for the tax year 2006/2007 of $12,870,000 and a transitional assessed value of $12,753,000 . We have assumed that the subject's actual assessment will increase by 2% for the 2007/2008 tax year. This results in a pro-rated transitional tax burden of $12,636,700 for the residential component of the subject property for the 2007/2008 tax year. We project the non-residential assessment at $444,180 for the 2007/2008 tax year.

PROJECTED TAX LIABILITY

		Residential Units		Non-Residential Unit
Projected Assessment		$12,636,700		$444,180
Tax Rate 2007/2008	x	12.645%	x	11.533%
Taxes 2007/2008		$1,597,931		$51,228

We estimate that the tax burden for the 2007/2008 tax year will amount to $1,597,931 for the residential units and $51,228 for the non-residential unit. These estimates exclude any exemptions or abatements for which the subject property may qualify.

Real property taxes are payable semi-annually, on July 1, and January 1 (the City operates on a fiscal year commencing July 1 and ending June 30). The first year of condominium operation is projected to begin in July 2007 and end in June 2008. Taxes payable during the first year of condominium operation will be comprised the taxes due for the 2007/2008 tax year.

The tax liability of a particular residential unit, assuming (a) the overall actual assessment as estimated above; (b) the Proportionate Valuation calculated in accordance with the guidelines set forth above; and (c) tax rate as estimated above, may be estimated as follows for the first year of condominium operation:

PROJECTED RESIDENTIAL TAXES PER UNIT
FIRST YEAR OF CONDOMINIUM OPERATION
2007/2008 TAX YEAR
$1,597,931 x Proportionate Valuation

ESTIMATED NON-RESIDENTIAL TAXES
FIRST YEAR OF CONDOMINIUM OPERATION
2007/2008 TAX YEAR
$51.228 x Proportionate Valuation

This letter was prepared at the Sponsor's request. No warranty or guarantee is made by this firm that HPD or any other government agency will approve Sponsor's application or that the benefits, if approved, fail to reach the levels estimated herein. This firm shall not be held liable if because of changes in laws and regulations, or the interpretation of laws of regulations, or because the facts represented by the Sponsor prove inaccurate or incorrect, the property fails to obtain in whole or in part tax abatement or exemption benefits.

Certain figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation. We have not passed upon the accuracy of any figures or estimates contained within the Offering Plan, and offer no warranties of the amount of any liability for any period.

The opinions expressed above are based on our interpretation of the Real Property Tax Law, Administrative Code of the City of New York, and the applicable rules and regulations of the Department of Finance in effect as of the date hereof. While we believe our opinions are well founded, they are not intended, and should not be construed as representations or warranties. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

The foregoing analysis is based upon our experience with the Real Property Assessment Department and the Tax Commission of the City of New York, and their assessment policies regarding newly renovated properties held in condominium ownership. Application of a particular approach to valuation by an individual assessor may yield a different result. This would necessitate commencement of real property tax review proceedings at the Tax Commission or Supreme Court level to bring the assessment in line with the estimates presented herein.

We hereby consent to the inclusion of this letter in the Offering Plan.

Sincerely,

Joel Leitner, MAI, CRE
Principal
State Certified General Appraiser #46-3011

RESERVE FUND

The New York City Council enacted Local Law No. 70 which amends Chapter 51 of the Administrative Code of the City of New York (the "Reserve Fund Law"), the full text of which is set forth in Part II of this Plan. The Reserve Fund Law requires Sponsor of an offering plan for the conversion of a building from rental to cooperative status to establish a reserve fund (the "Reserve Fund") to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such building. The Reserve Fund shall be in addition to the Working Capital Fund to be funded on the Closing Date by Purchasers.

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

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

(ii) (A) three (3%) percent of the actual sales prices of all Residential Units offered for sale pursuant to this Plan which are sold by Sponsor at the Effective Date of this Plan, provided, however, that if such amount is less than one (1%) percent of the Total Price, then the Reserve Fund shall be established as a minimum of one (1%) percent of the Total Price; plus (B) supplemental contributions to be made by Sponsor at a rate of three (3%) percent of the actual sales price of Residential Units for each Residential Units offered for sale under this Plan held by Sponsor and sold to bona fide purchasers subsequent to the Effective Date of this Plan and within five (5) years of the Closing Date notwithstanding that the total amount contributed may exceed three (3%) percent of the Total Price; and provided, further, that if five (5) years from thirty (30) days after the Closing Date, the total contributions by Sponsor to the Reserve Fund are less than three (3%) percent of the Total Price, Sponsor shall pay the difference between the amount contributed and three (3%) percent of the Total Price. The supplemental contributions made under this subparagraph (B) shall be made within thirty (30) days of each sale of an Apartment under this Plan.

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

The exact amount of the Reserve Fund under the Reserve Fund Law cannot be determined until the Closing Date since it depends on which option Sponsor chooses under the

Reserve Fund Law. Under no circumstances will the Reserve Fund be less than two (2%) percent of the Total Price.

There are no restrictions on the use of the Reserve Fund.

No Purchaser will be entitled to rescind a Purchase Agreement solely because the actual amount of the Reserve Fund is less than the estimated amount.

The Reserve Fund Law also requires Sponsor not later than the 30th, day following the Filing Date of this Plan and until the Closing Date to post and maintain in a prominent place accessible to all tenants in the Building a list of all violations of record against the Building as determined by the Department of Buildings and the Department of Housing Preservation and Development. All newly issued violations must be posted within 48 hours of their issuance.

In the event that at any time prior to the Closing Date, the Reserve Fund Law is repealed, Sponsor will not be obligated to comply with its requirements and may not provide a Reserve Fund. In such event, all purchasers will be given fifteen (15) days after receipt of an amendment disclosing such repeal of the Reserve Fund Law to rescind their Purchase Agreements and be refunded all monies paid thereunder. In the event that on or after the Closing Date, the Reserve Fund Law is repealed, Sponsor agrees to comply with its requirements as set forth in this Plan notwithstanding such repeal.

No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of capital items, and if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a Special Assessment against the Unit Owners. Based upon estimates received by Sponsor, Sponsor believes that the Reserve Fund will be sufficient to pay for the replacement of capital items likely to be needed as disclosed in the Description of Property set forth in Part II of the Plan. The Reserve Fund may not be used to reduce Common Charges. No representation can be made, however, that after Sponsor relinquishes control, the Condominium Board may not decide to use the Reserve Fund for a purpose other than for which it has been established.

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

WORKING CAPITAL FUND AND APPORTIONMENTS

The Purchaser of each Residential Unit shall be required to make a contribution at the Closing of his Unit(s) to the working capital fund of the Residential Section (the "Working Capital Fund"). Such contribution shall be in an amount equal to two (2) months' Residential Common Charges in effect for such Unit(s).

At the First Closing, Sponsor will apportion with the appropriate Boards the following items as of midnight of the date preceding said Closing:

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

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

(3) charges for electricity and other utilities for the General and Limited Common Elements;

(4) cost of fuel on hand (plus sales tax), if any;

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

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

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

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

(9) management fees; and

(10) other customary adjustments.

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

The Working Capital Fund will be held and used for working capital, or for such other appropriate purposes as will be determined by the Residential Board and may be augmented by allocations from the monthly Residential Common Charges collected from each Residential Unit. While Sponsor controls the Residential Board (see the Section entitled "Control By Sponsor"), the Working Capital Fund will not be used to reduce estimated Residential Common Charges.

The Residential Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Residential Common Charges or Rcsidential Common Charges attributable to Unsold Residential Units.

In the event that capital expenditures for renewal or replacement of building components or systems or to remedy major building defects are needed, it may be necessary to increase Common Charges or make special assessments payable by Unit Owners who are responsible for the repair and replacement of the Common Element in need of such renewal, replacement or remedy. Alternatively, a Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the By-Laws each Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets. No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year of Condominium operation. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

MANAGEMENT AGREEMENT

The Condominium Board will enter into a management agreement with Penmark Realty Corp., having an address at 820 Second Avenue, New York, New York 10017 as the Managing Agent, with respect to the Building at or prior to the First Closing.

The Management Agreement provides for a term of two (2) years commencing on the First Closing and thereafter, if not otherwise terminated by the Condominium Board on a month-to-month basis.

The Condominium Board can terminate the management agreement for cause after giving the managing agent fifteen (15) days prior written notice and an opportunity to cure.

The Managing Agent will receive an annual fee of $85,000 per annum, payable in equal monthly installments. The Condominium Board will also be required to reimburse the Managing Agent for its reasonable and customary out-of-pocket expenses incurred in managing the Building. In addition, for services rendered to Residential Unit Owners (other than Sponsor or its designee) in connection with processing applications to sell or otherwise transfer Units and obtaining necessary waivers of the right of first refusal by any Boards, the Managing Agent shall receive the following fees from Residential Unit Owners (i) $700 upon the sale or other transfer of its Unit for reviewing the waiver of the Condominium right of first refusal and other required documents, (ii) $700 in connection with the processing of a lease application for a Residential Unit Owner, and (iii) $300 in connection with a Residential Unit Owner's application for an appraisal or mortgage refinancing. In the event such alterations exceed $20,000 the Managing Agent shall be entitled to further reasonable fees to reimburse Managing Agent for its services rendered. In addition, refundable fees for move-in may be required of each purchaser. Such fees may be retained by the Condominium in the event a Purchaser or its agents damages the Common Elements during the move in. The fees charged by the Managing Agent are consistent with fees charged with other managing agents managing buildings in Manhattan.

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

(1) billing and collecting Residential Common Charges and Commercial Common Charges payable by Unit Owners and General Common Charges payable by the Residential Board and the Commercial Board;

(2) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board, the Residential Board and the Commercial Board. The approval of the Condominium Board is necessary for any expenditure of over $5,000 for any one item of ordinary repairs or alterations (other than emergency repairs or repairs to comply with a governmental notice or order);

(3) contracting for necessary services and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements subject to the approval of the Condominium Board; provided, however that any contract

having a term longer than one (1) year or for an amount in excess of $5,000 must be authorized by the applicable Board;

(4) checking all bills received in connection with the maintenance and operation of the Common Elements and causing all such bills and other expenses to be paid;

(5) supervising, hiring and discharging employees necessary for the proper maintenance and operation of the Building;

(6) rendering monthly statements of receipts and disbursements to the Condominium Board or other designated entity, upon request;

(7) maintaining payroll records and filing withholding tax statements for employees;

(8) maintaining accurate sets of books for the Condominium Board;

(9) cooperating with the Boards' accountants in preparing and submitting annually to the Condominium Board an operating budget of the anticipated income and expenses for the ensuing year;

(10) attending meetings of the Boards and Unit Owners, and preparing agendas and sending notices relating to such meetings; and

(11) generally, doing all things deemed reasonably necessary or desirable by the Boards for the proper management of the Building.

The Managing Agent, at the expense of the Condominium, will be bonded during the term of the Management Agreement under fidelity or general surety bonds in the amount of $250,000 for any loss resulting from fraudulent or dishonest acts committed by the Managing Agent, its directors, officers or employees. The Condominium Board is also required to indemnify the Managing Agent against liability for claims arising from the Managing Agent's management of the Building provided the Managing Agent was acting pursuant to the terms of the Management Agreement and was not guilty of gross negligence or willful misconduct. The Management Agreement is assignable by the Managing Agent only with the prior written consent of the Condominium Board.

IDENTITY OF PARTIES

Sponsor

Sponsor is 254 PAS Property LLC, a Delaware limited liability company, formed on July 20, 2005, with an office at c/o Rosen Partners LLC, 126 East 56th Street, 24th Floor, New York, New York 10022. The sole member is 254 PAS Mezz LLC and the managers are PAS 4 Manager LLC and RPS 254 Manager LLC . The principals of Sponsor who both own an interest in and actively participate in the offering of the Units are Jack Forgash, Hymie Mamiye, Chuck Mamiye, Jack Rosen, Alan Pines and Mark Sarna.

Messrs. Forgash, H. Mamiye, C. Mamiye, Rosen, Pines and Sarna have been involved in the operation and ownership of commercial and residential real estate in New York City for more than 15 years.

The principals of Sponsor have not been involved in any condominium or cooperative offering plans for the last five years and do not own ten (10%) percent or more of the unsold units or unsold shares in any building except that:

Messrs. Rosen, Sarna and Pines have been involved in the following offering as a principal: 56 Pine Street Condominium, 56 Pine Street, New York, New York. Mr. Rosen has also been involved in the following offering as a principal: Vela Townhomes, 1351 River Road, Edgewater, New Jersey. Mr. Pines has also been involved in the following offering as a principal: The Pointe at Crystal Lake, 16 Microlab Road, Livingston, New Jersey; RiverPark at Harrison, 16 Microlab Road, Livingston, New Jersey; The Pointe at Livingston, 16 Microlab Road, Livingston, New Jersey; The Fairways at Livingston, 1325 Morris Avenue, Union, New Jersey; The Pointe at Garwood, 16 Microlab Road, Livingston, New Jersey.

There have been no prior felony convictions of Sponsor or any principals of Sponsor and no prior convictions, injunctions and judgments against Sponsor, or any principals of Sponsor that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan. The business address of Sponsor's principals is indicated above

Selling Agent

The Marketing Directors, Inc. with offices at 750 Lexington Avenue, 18th Floor, New York, New York 10022, is the Selling Agent retained by the Sponsor in connection with the offering of Residential Units. The Marketing Directors, Inc., is engaged in the brokerage and sale of residential properties in the New York metropolitan area for more than thirty-five (35) years. The firm has no financial relationship, past or present, to the Sponsor except as Selling Agent.

There have been no prior felony convictions of Selling Agent or any principals of Selling Agent and no prior convictions, injunctions and judgments against Selling Agent, or any principals of Selling Agent that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

Managing Agent

Penmark Realty Corp., a New York Corporation, having an office at 820 Second Avenue, New York, New York 10017 will be the managing agent for the Building. (See the Section entitled "Management Agreement" in Part I of the Plan). The Managing Agent has been engaged in the development, ownership, operation and management of New York City residential properties for more than twenty (20) years.

There have been no prior felony convictions of the Managing Agent or any principals of the Managing Agent and no prior convictions, injunctions and judgments against the Managing Agent, or any principals of the Managing Agent that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

A list of properties that the Managing Agent currently manages includes: 1049 Fifth Avenue, New York, New York; 891 Park Avenue, New York, New York; 1235 Park Avenue, New York, New York; 838 Fifth Avenue, New York, New York; and 123 East 37th Street, New York, New York.

Attorneys for Sponsor

Sponsor has retained the law firm of LeBoeuf, Lamb, Greene & MacRae LLP, having an office at 125 West 55th Street, New York, New York 10019 to represent it in connection with the Plan. LeBoeuf, Lamb, Greene & MacRae LLP prepared the Plan, the Declaration, the By-Laws and the forms of Purchase Agreement, Residential Unit Deed and Residential Unit Power of Attorney and has also rendered an opinion with respect to the availability of income tax deductions to purchasers of Residential Units and compliance with Section 339-i of the Real Property Law. Stuart M. Saft, Esq. had principal responsibility for the preparation of the Plan. LeBoeuf, Lamb, Greene & MacRae LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to Unit Closings.

Asbestos

GAC Environmental, with an office at 136 West 83rd Street, Suite 1, New York, New York 10024, was retained by Sponsor to inspect the Building for the presence of asbestos and has rendered its report in Part II of this Plan. GAC Environmental has no financial interest in the Property, Sponsor, the Selling Agent and the Managing Agent, or any other parties interested in this transaction, except for the fee for its services rendered in connection with such report.

Sponsor's Architects

The engineering firm which prepared the "Physical Condition Survey for the Building ("Description of the Property") and issued its certification (both of which are set forth in Part II of this Plan) is Matt S. Markowitz, Architect, PC, having an office at 501 Fifth Avenue, New York, New York 10017. Matt S. Markowitz has been providing architectural services since 1995. All statements and representations made in this Plan with respect to the "Description of

Property" have been made in reliance upon the Architect and its authority as an expert. The Architect has no financial interest in the Property, Sponsor, the Selling Agent and the Managing Agent, or any other parties interested in this transaction, except for its fee for services rendered

Sponsor's Budget Expert

Penmark Realty, Inc. having an address at 5 East 86th Street, New York, New York 10028, estimated all amounts of income and expenses in Schedule B, "Projected Budget For First Year of Condominium Operation", in consultation with Sponsor and provided its opinions regarding the adequacy of the Budget, the adequacy of the Common Charges payable by the Commercial Unit Owner and Sponsor's compliance with Section 339-i of the Real Property Law.

Service of Process

The Secretary of State of the State of New York has been designated to receive service of process.

SPONSOR'S PROFIT

Sponsor acquired the Property on December 15, 2005, from Columbia 254 Park Avenue South, LLC. The purchase price together with Sponsor's approximate cost of capital expenditures undertaken or to be undertaken, the costs associated with the acquisition and ownership of the Property, including financing costs, and the aggregate amount for costs incurred in connection with the conversion such as sales commissions, attorneys' and engineers' fees, printing, advertising, government filing fees and transfer taxes are estimated to aggregate approximately $106,000,000. Sponsor expects to sell Residential Units at full market value. Occupied Apartments which have not been sold to Tenant Purchasers, will be sold from time to time as they become vacant. The exact profit to be realized by Sponsor cannot be determined and may increase or decrease substantially depending upon variable factors such as the uncertainty of future market conditions including the availability and cost of money, the length of time required to sell the Residential Units, losses or expenses arising from obligations assumed or waived by Sponsor under this Plan and other contingencies. However, assuming that all of the Units are sold at the purchase price offered to tenant Purchasers and given Sponsor's estimated costs the Sponsor's profit from the sale of the Units would be approximately $20,000,000.00.

REPORT TO UNIT OWNERS

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

(1) A certified financial statement of the Condominium prepared by a certified public accountant within 120 days after the end of the Condominium's fiscal year;

(2) Prior written notice of the Annual Meeting of Unit Owners; and

(3) A copy of the proposed annual budget for the Condominium at least 10 days prior to the date set for adoption by the Condominium Board and while the Sponsor is in control of the Condominium Board, such budget shall be certified pursuant to 13 NYCRR §20.4(d).

RECORDATION, INSPECTION AND DELIVERY OF DOCUMENTS

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection by prospective Purchasers, and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of six years all without charge and for copying for a reasonable charge. In addition, a set of Floor Plans showing the layout, locations and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's Office following the recording of the Declaration, and an additional set will be furnished to the Condominium Board.

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

GENERAL

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

Local Law 1 of 2004 ("Local Law 1") provides that where an owner has notice that a child under the age of seven resides in the apartment, the "owner" must conduct annual inspections for peeling paint and deteriorated surfaces. An owner must abate and repair peeling paint, smooth all bare floors and repair deteriorated sub-surfaces and binding doors and windows, whenever the foregoing inspection reveals such conditions or an apartment becomes vacant. The existence of a lead paint hazard is a Class C immediately hazardous violation. The foregoing requirements would apply whenever a Unit Owner rents such Unit Owner's Unit or

sells the Apartment to a party other than the party residing in such Apartment. Sponsor makes no representation whether Local Law 1 will be further modified, whether the City or State of New York will adopt additional laws dealing with lead based paint or what the provisions of such law may be.

Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Based upon the age of the building, it can be assumed that there is lead-based paint or lead-based paint hazards in the Building, however, Sponsor is not aware of any lead-based paint or lead-based paint hazards in the Building that need to be remedied, and has no records or materials pertaining to same. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of this Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead based paint. In accordance with the terms of the rider annexed to the Purchase Agreement, Purchasers have the right to inspect their Apartments for the presence of lead-based paint. However, Purchasers may waive their right to inspect their Apartments at Purchaser's request. Please refer to the Purchase Agreement set forth in Part II of the Plan for further details.

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

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

Sponsor reserves the right, from time to time prior to the First Closing, upon amendment to the Plan, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor, the Purchasers and/or prospective Purchasers under the Plan. However, Sponsor may not unilaterally cancel a Purchase Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the purchase price or payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a substantial amendment to the Plan that materially adversely affects Purchasers, except as otherwise provided herein, Purchasers will have a right of rescission which may only be exercised within 15 days from the date of presentation of said amendment. Sponsor shall promptly return any Down Payment, together with any interest thereon, to Purchasers who rescind, except that Sponsor shall retain the Down Payment (and any interest thereon) of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period.

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

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

No interest in realty or condominium unit has been offered for sale and no reservations, binding or non-binding, will be made until this Plan has been accepted for filing. No deposits will be accepted by Sponsor until this Plan has been accepted for filing.

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

The Property and the Buildings have not been the subject of any prior public offerings.

No contracts, written or oral, have been entered into for the sale or transfer of any of the Units offered in the Plan and no deposits have or will be accepted by Sponsor until the Plan has been accepted for filing.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property set forth as Exhibit 4 in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Property.

Set forth in Part II of the Plan is the "Description of Property." Sponsor is not an architect or engineer, but believes and hereby represents that the "Description of Property," with additional information by Sponsor if any as indicated, set forth in Part II of the Plan, represents accurately the present Building condition. The firm preparing the "Description of Property" has no financial interest in the Property, Sponsor, the Condominium, the Selling Agent, any affiliates thereof, or any other party interested in this transaction, except for the fee for services rendered. Sponsor knows of no facts or information inconsistent with the report that follows. Elevator inspections for the Building will be current as of the First Closing.

Sponsor represents that it has no knowledge of any material defects or need for major repairs to the Building except as hereinafter set forth in the "Description of Property," the Lenders' Reports and the violations search annexed to said Report. The New York City Department of Buildings has issued Certificate of Occupancy No. 79085 for the Building dated February 1, 1979. The Certificate of Occupancy is consistent with the proposed uses of the premises.

The Units are being sold "as is" in the condition in which they exist at the time a purchaser signs a Purchase Agreement subject to ordinary wear and tear. Purchasers are advised that former or current occupants of the Units may have made alterations to certain Units, including without limitation, installation and/or relocation of interior walls. Consequently, Sponsor makes no representation, warranty or guarantee as to whether any of said alterations were completed in compliance with all applicable governmental laws and regulations. Except as

described in the "Description of Property" and/of the Plan, Sponsor makes no representations or guaranties regarding the condition of the Property and has no specific knowledge about problems with or needed repairs to the Building. However, the Building was originally constructed in 1913 as a commercial loft and converted to residential use in 1978, as all prudent property owners are aware, a program of ongoing maintenance is typically required to insure the integrity of a building. Under the terms of Local Law 11 of 1998, property owners are obligated to have the facades of their buildings periodically inspected and perform remedial work as determined by the licensed engineer performing the required inspections. Set forth in Part II of the Plan is copy of the most recent Local Law 11 Inspection Report for the Property. Except as otherwise expressly provided in this Plan, Sponsor's obligation to make repairs in any Unit shall cease upon the Closing of Title to such Unit. Sponsor will, however, maintain and operate the Building until the First Closing in substantially the same manner and condition as on the Filing date of this Plan (subject to ordinary wear and tear) except to the extent that Sponsor is precluded from so doing by Acts of God, fire or other casualty, storm, strikes, lockouts, labor restrictions or any other acts over which Sponsor is reasonably unable to exercise control. If for any of the reasons set forth in the preceding sentence, other than fire or other casualty, Sponsor is prevented from so maintaining the Building and the Common Elements (or causing the same to be maintained), Sponsor shall make or cause to be made, within a reasonable period of time after such act ceases to exist, any repairs subsequent to the First Closing that it was obligated to make prior to the First Closing.

PART II

254 PARK AVENUE SOUTH CONDOMINIUM

254 PARK AVENUE SOUTH

NEW YORK, NEW YORK

EXHIBIT "1"

PURCHASE AGREEMENT FOR RESIDENTIAL UNIT

PURCHASE AGREEMENT

254 PAS PROPERTY LLC,

Sponsor-Seller

TO

_____

Purchaser

UNIT NUMBER _____

RESIDENTIAL SECTION

OF

254 PARK AVENUE SOUTH CONDOMINIUM

254 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10010

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UNIT NUMBER(S)_____

RESIDENTIAL SECTION

OF

254 PARK AVENUE SOUTH CONDOMINIUM

254 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10010

(to be executed in quadruplicate)

AGREEMENT, made as of _____ ___, 20__, between 254 PAS Property LLC, a Delaware limited liability company, having an office at 126 East 56th Street, 24th Floor, New York, New York 10022 ("Sponsor"), and _____, having an address at _____ ("Purchaser").

W I T N E S S E T H:

1. THE PLAN. Purchaser acknowledges having received and read a copy of the Offering Plan for 254 Park Avenue South Condominium and all amendments thereto, if any, filed with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") at least three (3) days prior to Purchaser's signing this Agreement. If Purchaser is not a Tenant Purchaser, Purchaser understands that if Purchaser has not received the Plan and all amendments thereto at least three (3) full days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement within seven (7) days from the date of this Agreement. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding.

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

3. THE UNIT. Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the unit(s) ("Unit"), together with the percentage of undivided interest in the General Common Elements of the Condominium appurtenant thereto.

4. PURCHASE PRICE.

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

The Purchase Price is payable as follows:

(a) $_____ [an amount that is at least 10% of the Purchase Price], due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged;

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

4.2. All checks shall represent United States currency and shall be drawn on or issued by a New York bank or trust company which is a member of The New York Clearing House Association, unless otherwise agreed to by Sponsor. Checks for the initial payment (referred to as the "Down Payment") shall be made payable to "LeBoeuf, Lamb, Greene & MacRae LLP, Escrow Agent". Checks for the balance of the Purchase Price shall be made payable to the direct order of "254 PAS Property LLC" or such other party as Sponsor may designate upon not less than two (2) days prior notice. If any check is returned for insufficient funds or any other reason, Sponsor at its option, may declare this Agreement void ab initio and of no further force and effect and may institute an action against Purchaser for the collection of the Down Payment as liquidated damages or may declare a default by Purchaser under this Agreement which shall entitle Sponsor to exercise any of the remedies set forth in Article 15 hereof.

5. AGREEMENT NOT CONTINGENT UPON FINANCING. The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof) stated in Section 4 of this Agreement, and Purchaser understands and agrees that his failure to obtain such financing will not relieve him of his obligations hereunder. Purchaser further understands and agrees that if he chooses to finance his purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor any change in his financial status or condition shall release or relieve him of his obligations pursuant to this Agreement.

6. CLOSING OF TITLE.

6.1. The closing of title shall be held at such place in the City and State of New York and on such date and hour as Sponsor may designate to Purchaser on not less than thirty (30) days' prior written notice. In the event the Purchase Agreement is executed prior to the Plan being declared effective, the Closing shall not occur until at least thirty (30) days after the Plan is declared effective. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor's attorneys at closing an extra fee as set forth in the Plan. Sponsor, from time to time, may adjourn the date and hour for closing on written notice to Purchaser, which notice shall fix a new date, hour and place for the closing of title and will be given not less than two (2) business days prior to the new scheduled date and time for closing.

6.2. The closing of title shall occur only after or concurrently with the compliance with the prerequisites as set forth under "Terms of Sale" in Part I of the Plan.

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

7. DELIVERY OF THE DEED AND RESIDENTIAL UNIT POWER OF ATTORNEY.

7.1. At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed without covenant against grantor's acts conveying title to the Unit to Purchaser. The deed shall be prepared by Sponsor in substantially the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly execute a New York City Real Property Transfer Tax return and any other forms then required by law, all of which shall be prepared by Sponsor.

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

7.3. The deed and power of attorney to the Condominium Board, Residential Board and Sponsor shall be delivered to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded, the deed shall be returned to Purchaser and the power of attorney shall be sent to the Managing Agent.

7.4. Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in the form then required by the Code Withholding Section and (ii) each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with IRS §6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions.

8. MARKETABLE TITLE. At the closing of title, Sponsor shall convey to Purchaser fee simple title to the Unit, free and clear of all encumbrances other than those expressly agreed to by Purchaser or set forth in Schedule A annexed hereto and made a part hereof. Any encumbrance to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the attendant recording or filing fee, if any, or (b) Royal Abstract of New York, LLC, having an address at 500 Fifth Avenue, New York, New York 10110 (Tel: (212) 376-0900; Fax: (212) 376-0911) (or such other title insurance company as Purchaser may utilize), is or would be willing, in a fee policy issued by it to the Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

9. CLOSING ADJUSTMENTS.

9.1. Subject to Paragraph 15 hereof, the following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

(a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;

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

(c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering the Unit.

9.2. If a Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If a Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment under subsection 8.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the General Common Elements appurtenant to the Unit.

9.3. Purchaser hereby agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the closing of title.

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

9.5. Any errors or omissions in computing apartments shall be corrected and payment made to the proper party after discovery. The provisions of this subsection shall survive the Closing.

10. MORTGAGE TAX CREDIT. In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically understood that such credit shall inure to the benefit of Sponsor. Accordingly, at closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor at closing will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

11. CLOSING COSTS. In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in Part I of the Plan entitled "Closing Costs and Adjustments."

12. DOWN PAYMENT. The Down Payment made pursuant to this Agreement is subject to 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. Any Down Payment received from Purchaser will be held in accordance with the provisions of the Subsection entitled "Escrow and Trust Fund Requirements" under the Section entitled "Procedure to Purchase" set forth in Part I of the Plan. By signing this Agreement, 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 Seller in the event Seller and Purchaser close title under this Agreement. Sponsor is required by law to submit a Form 1099 to the Internal Revenue Service reporting interest earned on Purchaser's Down Payment, if any. Purchaser will be taxed accordingly on such interest, whether or not Purchaser ultimately receives the interest in accordance with the terms of this paragraph.

13. BINDING EFFECT OF DECLARATION, BY-LAWS AND RULES AND REGULATIONS. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof

14. AGREEMENT SUBJECT TO MORTGAGE. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage, including, but not limited to, any construction or building loan mortgage, heretofore or hereafter made any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of each Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless Purchaser voluntarily assumes such mortgage or consents 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 (their) undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

15. TENANT PURCHASERS' SECURITY DEPOSITS. If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within forty-five (45) days following the Closing Date, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the Unit is occupied by other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred as of the Closing Date to Purchaser, who will upon receipt, sign and deliver to Sponsor an agreement acknowledging the amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of

Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Sponsor and to sue the tenant to the extent such rent security is insufficient.

16. DEFAULT BY PURCHASER.

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

(i) Purchaser's failure to pay the balance of the Purchase Price on the Closing Date designated by Sponsor; or

(ii) Purchaser's failure to duly complete and sign before a notary public and deliver on the Closing Date the New York State and City transfer tax returns; or

(iii) If Purchaser is or becomes the tenant of record of the Unit, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations; or

(iv) If Purchaser is or becomes the tenant of record of the Unit and Purchaser vacates or abandons the Unit; or

(v) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(vi) If a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vii) If a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same; or

(viii) Purchaser's failure to pay any closing costs set forth in this Agreement or the Plan, on the Closing Date designated by Sponsor; or

(ix) The failure to pay, perform or observe any of Purchaser's other obligations hereunder.

16.2. TIME IS OF THE ESSENCE with regard to Purchaser's obligations to pay the balance of the Purchase Price and to perform Purchaser's other obligations under this Agreement. If Purchaser fails to make such payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Sponsor shall give written notice to Purchaser of such default. If such default shall not be cured within thirty (30) days thereafter, Sponsor may, at its option, cancel this Agreement by notice of cancellation to Purchaser. If Sponsor elects to cancel this Agreement, (a) Sponsor may retain all sums deposited by Purchaser hereunder (including any amounts paid by Purchaser for additional work in the Unit), together with interest earned thereon, as liquidated damages (Sponsor's actual damages being difficult or impossible to ascertain) and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan and (b) Sponsor may sell the Unit to any third party as though

this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale).

16.3. If Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date (a) the closing apportionments described in Section 8.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

17. CLOSING CONTINGENT UPON PLAN BEING DECLARED EFFECTIVE.

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

17.2. If the Plan is abandoned or Sponsor elects not to declare the Plan effective or if after being declared effective the Plan will not be consummated for any reason, this Agreement will be deemed canceled and the Down Payment paid by Purchaser hereunder, together with interest earned thereon, if any, will be disbursed to Purchaser, subject to Sponsor's rights to retain certain funds deposited by Purchaser for special work in the Apartment, as more particularly described in the Section of the Plan, entitled "Effective Date." After the monies are so disbursed, Purchaser and Sponsor will have no claim against each other or the Selling Agent in connection with this Agreement or the Plan, and all of same will be released and discharged from all liabilities and obligations hereunder and under the Plan.

18. WITHDRAWAL OR ABANDONMENT OF PLAN. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in Part I of the Plan. Provided Purchaser is not then in default under this Agreement beyond any applicable grace period, if the Plan is withdrawn or abandoned, this Agreement shall be deemed canceled and, not later than ten (10) days thereafter, Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and, upon making such payment, neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan.

19. SPONSOR'S INABILITY TO CONVEY THE UNITS. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability, and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and, upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

20. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. At closing, the Unit will contain only those appliances, countertops, cabinets, sinks, air conditioning units (if any), hardware and other fixtures, equipment and appliances currently installed therein that are owned by the Sponsor. The Unit is being sold unfurnished. Any appliances, air conditioning units, furnishings, equipment, fixtures and other personal property owned by any tenant of the Unit are not included in this sale but continue to remain the property of such tenant. However, if the Unit is presently occupied by other than Purchaser and the existing tenant removes a stove, dishwasher and/or refrigerator belonging to such tenant, then Sponsor agrees to supply a replacement, which may not be new, but will be in working order and similar in size and quality to the stoves, dishwashers and refrigerators owned by Sponsor that are contained in comparable Units in the Building on the Filing Date of the Plan. Furniture, wall coverings, furnishings, decorations and the like in or about any model Unit is for display purposes only and is not included in this sale. Any floor plans or sketches shown to Purchaser or included in the Plan are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon.

21. ACCEPTANCE OF CONDITION OF PROPERTY. The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including the Building, the public areas, the Unit and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called "Installations"), in their respective existing conditions, ordinary wear and tear excepted between the date Purchaser signs this Agreement and the Closing. Purchaser acknowledges having read the Description of Property, which sets forth a description of the physical condition of the Building set forth in Part II of the Plan. Purchaser acknowledges having inspected the Unit prior to signing this Agreement. Purchaser understands that neither the Condominium nor Sponsor have any obligation to make any repairs, improvements or decorations in or to the Property, the Building or the Unit, except as may otherwise be set forth in the Plan. Sponsor has agreed in the Plan to maintain the Building in substantially the same condition it was in on the Filing Date, until the Closing Date (subject to

ordinary wear and tear between the Filing Date and the Closing Date), unless prevented from so doing by reason of acts or events beyond Sponsor's control, as more particularly set forth in the Plan. Purchaser shall be given a reasonable opportunity to examine the Unit prior to closing and it is recommended that Purchaser make a careful examination at such time. If Purchaser fails to examine the Unit within said period(s), Purchaser shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan. Purchaser acknowledges that Purchaser must make arrangements to move into the Unit following the Closing and Purchaser agrees to follow the move-in procedures established by Sponsor or the Condominium Board. The provisions of this paragraph shall survive Closing.

22. DAMAGE TO THE UNIT. If between the date of this Agreement and the closing of title the Unit is damaged by fire or other casualty, the following shall apply:

22.1. If Purchaser is the existing tenant or occupant of the Unit, or if Purchaser is given possession of the Unit prior to closing under an Interim Lease or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit resulting from Purchaser's use or occupancy, and neither the Condominium nor Sponsor shall be obligated to make any repairs to the Unit or its installations. However, until closing Sponsor will remain responsible to make those repairs required of it as landlord under any existing lease or Interim Lease and, after closing, the Condominium Board will be responsible to make those repairs required of it under the Proprietary Lease and By-Laws.

22.2. If during Purchaser's occupancy, the Unit is damaged by casualty or otherwise, then Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the deed.

22.3. Except as provided in the preceding paragraph, all other risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor or the Condominium to repair the damage or restore the Unit. If Sponsor elects to repair or replace the loss or damage, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete, or to permit the Condominium Board to complete, such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until: (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Shareholders) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

22.4. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, the Unit Owners do not

resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed canceled and of no further force and effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

23. NO REPRESENTATIONS. Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Residential Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented, Purchaser having relied solely on his own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan.

24. PROHIBITION AGAINST ADVERTISING. Prior to the closing of title, Purchaser agrees not to list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent.

25. BROKER. Purchaser represents to Sponsor that Sponsor, Sponsor's Selling Agent and _____ are the only brokers or sales agents with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay the commission earned by said broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the aforementioned broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Article 25 shall survive the closing of title.

26. AGREEMENT MAY NOT BE ASSIGNED. Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or

substitution of names on this Agreement, then Purchaser shall be required to pay Sponsor's reasonable attorneys' fees in advance, for preparation of an assignment agreement.

27. SALE SUBJECT TO EXISTING TENANCY.

27.1. The following is applicable to Purchasers of Units occupied by others:

Complete the following only if Purchaser is not the tenant of the Unit:

Unit is Vacant: Yes ( ) No ( )

If Unit is Occupied: Monthly Rent: $_____
Current Lease Term Expires: _____
or month-to-month ( ) _____
Rent Security $_____
Unit is Occupied by a Non-Purchasing Tenant:

Yes ( ) No( )

27.2. Purchaser understands and agrees that the Unit is being sold hereunder is subject to the lease or tenancy of the present tenant and Section 352-eeee of the New York State General Business Lays (the "GBL") as explained more fully in the Plan under the Section entitled "Rights of Existing Tenants" and Purchaser and Purchaser's successors and assigns shall continue to be bound by such Laws and regulations so long as such occupancy continues.

27.3. Purchaser further understands, as explained in the Plan, that if a Non-Purchasing Tenant is in possession of the Unit on the Closing Date hereunder, Purchaser must notify the Non-Purchasing Tenant of the change in ownership of the Unit promptly after the Closing Date and Purchaser will assume the rights and obligations of Sponsor as the landlord of such tenant, including the right to collect rent (whether the same be greater or less than the Common Charges established from time to time by the Condominium Board) and the obligation to maintain the Unit (including its equipment and appliances) for the benefit of the existing tenant. From and after delivery of the deed to Purchaser, Purchaser alone will bear the entire costs and expenses of owning the Unit (including, but not limited to, any legal fees and litigation expenses for enforcing the lease and obtaining possession of the Unit).

27.4. Purchaser understands that if the tenant of the Unit exercises any right granted under the Plan (or any amendment thereto) or under the Rent Laws or GBL or other applicable Law, which may or may not exist as of the date of this Agreement, or any administrative or judicial interpretation thereof, to purchase the Unit, then upon the closing of such purchase, this Agreement shall be deemed canceled and, within thirty (30) days after the occurrence of such event, all monies paid by Purchaser hereunder shall be refunded. Upon such repayment, Purchaser, Sponsor, and the Selling Agent, and any other party hereto shall be (and hereby are) released and discharged of all liability or obligations hereunder and under the Plan.

27.5. Purchaser hereby irrevocably appoints the then managing agent of the Building (which managing agent may be replaced from time to time by the Condominium Board)

as Purchaser's agent, coupled with an interest, to provide for the account and at the expense of Purchaser, all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has the right to occupy the Unit Purchaser is purchasing until such time as such right of occupancy terminates. Purchaser agrees to deposit with the managing agent at the closing hereunder a sum not less than an amount equal to two (2) months Common Charges to be used as working capital to furnish service and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL. Purchaser agrees that upon written notice by the then managing agent that such deposit has been diminished, that Purchaser shall replenish such fund within thirty (30) days thereafter. Purchaser will indemnify Sponsor for all costs expended by Sponsor on Purchaser's behalf to provide the required services. The provisions of this paragraph shall survive the closing.

28. TENANT PURCHASER'S RIGHT TO BENEFIT FROM IMPROVED TERMS. If prior to the expiration of any exclusive purchase period, which begins prior to the First Closing Date, Sponsor amends the terms and conditions of the Plan to be more favorable to Tenant Purchasers, then if Purchaser is a Tenant Purchaser who executed and submitted this Agreement and the Down Payment before Sponsor amended the terms of the Plan, Purchaser shall benefit from the more favorable terms and conditions.

29. PURCHASER'S REPRESENTATIONS.

29.1. If Purchaser was a tenant in occupancy of a Unit in the Building on the Filing Date of the Plan, Purchaser hereby represents that this Agreement was executed and delivered by Purchaser pursuant to an offering made without a discriminatory repurchase agreement or other discriminatory inducement.

29.2. If the Unit to which this Agreement relates is not occupied by Purchaser, Purchaser shall duly complete and sign before a notary public the Statement of Purchase set forth as Schedule B hereto and deliver same to the Selling Agent together with this Agreement.

30. BINDING EFFECT. If Purchaser was a Tenant Purchaser of the Unit on the Filing Date of the Plan, this Agreement shall be accepted by Sponsor, provided Purchaser signs and returns this Agreement, together with the Down Payment, during the time within which Purchaser has the exclusive right to purchase the Unit as set forth in the Plan. If Purchaser was a Tenant Purchaser of the Unit on the Filing Date of the Plan, and signs and returns this Agreement, together with the requisite Down Payment, after the period during which Purchaser has the exclusive right to purchase the Unit, or if Purchaser is not the tenant of record of the Unit, or any other Unit in the Building, this Agreement shall not be binding upon Sponsor until a duplicate hereof, executed by Sponsor or its duly authorized agent, is delivered to Purchaser or Purchaser's attorney. In any such case, unless this Agreement, executed as aforesaid, is delivered to Purchaser within thirty (30) days after same is received by Sponsor or the Selling Agent, it shall be deemed rejected and neither party shall have any further rights or obligations hereunder with respect to the other, except that Sponsor shall be obligated to refund all monies paid by Purchaser within fifteen (15) days after such cancellation. Sponsor shall have the right to reject this Agreement without cause or explanation to Purchaser, provided such rejection is not based on sex, race, creed, color, national origin, ancestry or other ground proscribed by Law.

31. NOTICES. Any notice, request, letter, consent or other communication hereunder or under the Plan shall be in writing and hand delivered or sent, postage prepaid, by registered or certified mail, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this Agreement, with a copy to LeBoeuf, Lamb, Greene & MacRae LLP, 125 West 55th Street, New York, New York 10019, Attn: Sofia Frrojka, Paralegal in the same manner as notice is given to Sponsor, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of hand delivery or mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself. A failure by Purchaser to acknowledge receipt of any notice, request, letter, consent or other communication hereunder shall not in any way invalidate such communication.

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

33. PERFORMANCE BY AND LIABILITY OF SPONSOR. Purchaser's 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 Sponsor to be performed pursuant to the provisions of this Agreement, the Plan, 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and General Business Law §352-e, except those (if any) herein or therein expressly stated to survive delivery of such deed.

34. FURTHER ASSURANCES. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

35. COSTS OF ENFORCING AND DEFENDING AGREEMENT. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder.

36. SEVERABILITY. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

37. STRICT COMPLIANCE. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor, notwithstanding any such failure, shall have

the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

38. GOVERNING LAW. The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

39. WAIVER OF JURY. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement or the relationship created hereby.

40. ENTIRE AGREEMENT. This Agreement supersedes any and all understandings and agreements between the parties with respect to the subject matter hereof.

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

42. CAPTIONS. The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof

43. RULE OF CONSTRUCTION. There shall be no presumption against the draftsman of this Agreement.

44. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and his heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

45. NO ORAL CHANGES. This Agreement cannot be changed or terminated orally. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES HERETO OR BY AN AMENDMENT TO THE PLAN.

46. AMENDMENTS TO THE PLAN. Subject to any provision of the Plan to the contrary, if there is a substantial amendment to the Plan that materially and adversely affects Purchaser, Purchaser will have a period of fifteen (15) days from the date of presentation of said amendment within which to rescind this Agreement and, if Purchaser exercises such right of rescission, Sponsor shall return the Down Payment, together with any interest thereon, pursuant to this Agreement within thirty (30) days.

47. LEAD-BASED PAINT DISCLOSURE. Annexed hereto and incorporated herein as Schedule C, is the "Disclosure of Information on Lead-Based Paint and/or Lead Based Paint Hazards" required to be executed pursuant to the provisions of Federal regulation.

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

SPONSOR:

254 PAS Property LLC

By: _____
Name: Daniel Rosen
Title: Authorized Representative

PURCHASER:

_____

_____

_____
(Social Security or Federal I.D. Number)

Telephone No. _____

SCHEDULE A
PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

2. State of facts shown on Survey made by Geo. C. Hollerith dated 12/13/24, last brought to date by visual examination by Earl B. Lovell-S.P. Belcher on 12/10/2005, or personal inspection of the Property would show, provided such facts would not make title to the Unit unmarketable, except as otherwise permitted herein.

3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from the Grantee to the Residential Board, and the Floor Plans; as all of the same may be amended from time to time.

4. Consents by the Grantor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.

5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.

8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

9. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, provided the same are adjusted at the closing of title.

10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Residential Board), except that the Grantor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Grantee shall pay all assessments due from and after the Closing Date.

11. Any declaration or other instrument affecting the Property which the Grantor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

12. Any encumbrance as to which First American Title Insurance Company of New York (or such other New York Board of Title Underwriters member title insurance company which insures the Grantee's title to the Unit) would be willing, in a fee policy issued by it to the Grantee, to insure the Grantee that such encumbrance (1) will not be collected out of the Unit if it is a lien or (2) will not be enforced against the Unit if it is not a lien.

13. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Residential Unit for residential purposes.

14. Any lease covering the Unit made from the Grantor to the Grantee.

15. Any violation against the Property (other than the Unit) which is the obligation of the Residential Board, Commercial Board, Condominium Board, or another Unit Owner to correct.

16. Covenants and/or restrictions set forth in an Agreement by and between Jacob Campbell and Mary, his wife and George Kober, dated 7/6/1847, and recorded 7/17/1847 in Liber 281 at Cp 55 and repeated in Liber 493 Cp 237.

17. Terms, covenants and conditions of an unrecorded lease made by and between Harold Thurman and Patrick Consalvas and 254 Park Avenue South Associates, dated 7/28/1978.

18. Terms, Covenants, Restrictions and Easements made by and between New York Mutual Casualty Insurance Co. and The First National City Bank of New York, dated 04/26/1957 and recorded 08/03/1960 in Liber 5123 Cp 248. With regard thereto: Agreement made by and between 252 Fourth Avenue Company and The National City Bank of New York, dated 10/01/1930 and recorded 10/01/1930 in Liber 3783 Cp159.

19. Declaration of Easements, dated as of September 20, 2005 made by and between Columbia 254 Park Avenue South, LLC and 260 Park Avenue South, LLC and recorded 12/23/2005 as CRFN 2005000705078.

20. Amended, Restated and Consolidated Mortgage, Assignment of Leases and Rents and Security Agreement made by and between 260 Park Avenue South, LLC and HSH Nordbank AG New York Branch, a branch of German banking corporation, its successors and assigns as administrative agent for the Lenders, securing the principal amount of $86,000,000, dated 8/29/2005 and recorded 9/16/2005 in CRFN 2005000517223. (Affects Declaration of Easaements recorded on 12/23/2005 as CRFN 2005000705078 in the event of the foreclosure of said mortgage which affects the premises Block 849 Lot 43.)

EXHIBIT "2"

POWER OF ATTORNEY

RESIDENTIAL POWER OF ATTORNEY

Terms used in this Power of Attorney which are used (a) in the declaration (the "Declaration") submitted by 254 PAS Property LLC ("Declarant") establishing a plan for condominium ownership of the premises known as 254 Park Avenue South Condominium and by the street number 254 Park Avenue South, New York, New York 10010 under Article 9-B of the Real Property Law of the State of New York, dated _____ __, 200__, and recorded in the New York County Office of the Register of The City of New York on _____, 20__, in City File Register Number _____, or (b) in the By-Laws of the Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, the owner of the Condominium Unit (the "Unit") in 254 Park Avenue South Condominium which is (are) designated and described as Residential Unit No. _____ in the Declaration and also designated as Tax Lot ____, in Block 1484 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board and/or the Residential Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Residential Board or Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Residential Unit Owners, in accordance with such Unit Owners respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1)(a) following due authorization by a Majority of Residential Unit Owners, to acquire or lease any Residential Unit, together with its Appurtenant Interests, from any Residential Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Residential Unit, together with its Appurtenant Interests, from any Owner who elects to surrender the same pursuant to the By-Laws, and (c) following due authorization by a Majority of Residential Unit Owners, to acquire any Residential Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired by them, or to sublease any Residential Unit so leased by them without the necessity of further authorization by the Residential Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present, (2) upon determination by the Residential Board, to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Residential Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the General Common Elements which the Condominium Board, which respect to the General Common Elements and the Residential Board with respect to the Residential Section, the, 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 Residential Section, (b) any

consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Residential Section or the Residential Section which the Residential Board deems necessary or appropriate or (c) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the General Common Elements which the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Residential Board or the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned, do(es) hereby nominate, constitute and appoint the Declarant, true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to execute an amendment to the Declaration, By-Laws and the Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Units or Common Elements by Declarant or obtain an amended certificate of occupancy therefor, or any of said documents when such amendment (i) shall be required to reflect any changes in Unsold Residential Units, Commercial Unit and/or the reapportionment of the Common Interests of the aforesaid Units resulting therefrom made by Declarant in accordance with the Declaration or (ii) shall be required by an (x) Institutional Lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Declarant to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (a) or (b) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material or physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage held by an Institutional Lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ___ day of _____, 20__.

_____

_____

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

On the _____ day in _____the year 20__ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

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

On the _____ day in _____the year 20__ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT "3"

UNIT DEED

UNIT DEED

THIS INDENTURE, made the ____ day of _____, 20___, between 254 PAS Property LLC, a Delaware limited liability company, having an office at 126 East 56th Street, 24th Floor, New York, New York 10010 (the "Grantor") and _____ (the "Grantee"), having an address _____ at _____.

WITNESSETH:

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit (the "Unit") in the premises known as 254 Park Avenue South Condominium and by the street number 254 Park Avenue South, Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Residential Unit No. _____ in the declaration ("Declaration") establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), dated _____ 20__ and recorded in the New York County office of the Register of The City of New York (the "City Register's Office") on _____, 20__ in City Register File Number _____, and also designated as Tax Lot(s) ____ in Block 1484 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of said building, certified by _____, on _____,20___, and filed in the Real Property Assessment Department of the City of New York on _____ as Condominium Plan No. _____ also filed in the City Register's Office on _____ _____, 20__, as Condominium Map No. _____. The premises within which the Unit is (are) located are more particularly described in Schedule A attached hereto and made a part hereof All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of The 254 Park Avenue South Condominium. (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws".)

Together with an undivided _____ percentage interest in the General Common Elements (as such term is defined in the Declaration):

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in (any of) the Unit, as though recited and stipulated at length herein.

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters as pertain to the Unit and/or to the Property as more particularly described in Schedule B attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Residential Board or provided in the Declaration or the By-Laws, the Residential Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has (have) been encumbered in any way whatever, except as aforesaid.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

GRANTOR:

254 PAS Property LLC

By: _____
Daniel Rosen
Authorized Representative

GRANTEE:

_____

_____

SCHEDULE B

REFER TO PERMITTED ENCUMBRANCES SET FORTH AS SCHEDULE A TO PURCHASE AGREEMENT

TO BE INSERTED PRIOR TO CLOSING

EXHIBIT "4"

DESCRIPTION OF PROPERTY

DESCRIPTION OF PROPERTY AND SPECIFICATIONS
254 PARK AVENUE SOUTH CONDOMINIUM
254 Park Avenue South
New York, New York

A. Location of Property

1. This existing 13 story mixed use building project is located on the north west corner of East 20th Street and Park Avenue South in the borough of Manhattan, City of New York. The existing 13 story structure will remain in place.

2. The building is situated on Block No.: 849 Lot No.: 2536 Upon Conversion each residential unit, and retail units will have individual tax lot designations.

3. The existing Building is located within the C5-2 and R10 Zoning District Located in the Midtown district of Manhattan. The Building is 93 Years Old and was originally constructed as a Commercial Loft Building in 1913. In 1978 the Building was converted to Residential and Retail use.

4. The Legal uses existing comply with all Zoning requirements, and are as per the existing approved Department of Buildings Certificate of Occupancy. The predominant use of this building is residential and is located at and above the Cellar floor. The Cellar and First floor use will be commercial retail, and residential. The commercial uses allowed are defined by Use Groups listed in the NYC Zoning Resolution. Permitted uses included within this use group consist primarily of retail stores and personal service establishments, offices, or public service establishments. Examples of such uses include retail stores, art galleries, banks, barber shops, tailors, dry cleaners, eating and drinking establishments, Medical and professional offices. The remaining portion of the First through Thirteenth floors will be Residential units.

B. Status of Construction

1. No new construction is being proposed.

2. Class of Construction: The construction classification for this building is classified as Class I, non-combustible (New Code) and conforms to all applicable regulations of the Building Code of the City of New York ("Building Code").

3. Certificate of Occupancy: Existing Certificate of Occupancy No. 79085 to remain. If any changes to the building require a new Certificate of Occupancy, the Developer will apply for a Certificate of Occupancy (preceded, if appropriate, by a temporary Certificate of Occupancy) for the Building from the Department of Buildings of the City of New York. The Department of Buildings will inspect the premises for construction, mechanical, plumbing, elevator and electrical code compliance before issuing a Certificate of Occupancy. (Sponser to Obtain Certificate of Occupancy prior to closing.)

4. The renovation work will include:

   No modifications to sitework proposed; sidewalk, and curb shall remain and will be repaired.

Façade repair and maintenance to facebrick and appurtanences.

Existing building systems to be maintained, including heating, ventilation, air conditioning, plumbing, electric, and fire protection.

C. Site

1. Based upon information contained in site maps prepared by Sanborn and Documents obtained from the New York City Building Department. The total lot area for 254 Park Avenue South is Approximately: 11.500 SF Total Area.

2. The existing building at 254 Park Avenue South is thirteen stories. The Approximate Square Foot breakdown of the building is: Sub-cellar - 2,900 SF, Cellar - 14,500 SF, First Floor - 10,300 SF ; Second Floor- 9,800 SF; the Third through Penthouse Floors is 10,500 SF+/- each.
The total existing combined building floor area (Floors: Sub-cellar, Cellar, One, Two, Three thru Penthouse) of 254 Park Avenue South is approximately 154,000 SF.
The Building is a single Mixed Use building for Residential, and Commercial use.

3. The street to the South of the site, East 20th Street, is paved with asphalt topping and is in fair condition. The street to the East of the site, Park Avenue South respectively, is paved with asphalt topping, and is in fair condition.

   i) The existing concrete curbs will remain on East 20th Street and Park Avenue South.
   ii) The sidewalks will remain or be repaired in accordance with the regulations of NYC Department of Transportation.
   iii) The street is presently pitched to drain through existing cast iron catch basins in the New York City storm water drainage system.
   iv) Present street lighting is by pole mounted fixtures and will be provided, operated and maintained by the City of New York.

   All sidewalks are existing and will be repaired to comply with the requirements of the New York City Department of Transportation, and any other agency having Jurisdiction.

4. Sidewalks and Ramps/Landscaping

   i) As described above, the existing sidewalk paving that defines the edges of the site on 20th Street and Park Avenue South is in fair condition and will be repaired.

   ii) As described above, existing sidewalk curbs along 20th Street and Park Avenue South is in fair condition and will be repaired.

   iii) All sidewalks will comply with the requirements of the New York City Department of Transportation and any other agency having jurisdiction.

D. Utilities

1. Gas is provided by Con Edison a public service company and is collectively metered to each residential unit, and separately metered to the Retail Units.

2. Water supply and combined sewer servicing the Existing Building is provided by the City of New York. Residential water is collectively metered. Retail Space water will be separately metered.

3. Electrical service is provided by Con Edison, a public service company, and will be metered to each residential unit, and separately to the Retail Units.

4. The Existing Building is currently wired for telephone and cable television. It will be a purchaser's obligation to purchase telephones and arrange for telephone and cable services for his or her individual unit.

E. Sub-soil Conditions

No subsurface or structural work is proposed that would require geotechnical reports. No subsurface water conditions regarding water infiltration to the building is present. If the status of this changes or structural work is proposed then appropriate investigations and reports will be prepared and made available for review.

F. Landscape & Enclosure

The Building does not have outdoor private roof terraces located at the roof level above the Penthouse floor. The roof is accessible through the (2) two Penthouse floor duplex units and the stair bulkheads. The roof is to be accessed for emergency egress and maintenance purposes only. The roof is not residential use or for the exclusive use of the PH floor duplex units.

1. No grass cover exists on site.

2. No Trees exist on site along the sidewalk. No new trees are proposed.

3. No fences will be provided.

4. No gates exist on site.

5. There are no garden walls on site.

6. There will be no display pools or fountains.

7. Existing inner courtyard will remain.

G. Building Height

1. The height of the Existing Building (to roof deck) from the mean curb elevation at each street frontage is

Park Avenue South:	Approx. 165'
East 20th Street:	Approx. 165'

2. There is one partial Sub-cellar in the Existing Building. The SubCellar floor-to-ceiling height of the building is approx. 10'-0".

3. There is one Cellar in the Existing Building. Cellar floor-to-ceiling height is approx. 10'-0".

4. The Ground (1st) floor-to-ceiling height of the building is 8'-6". There are 13 floors above grade

   Except in certain areas with dropped ceilings, the approximate floor-to-ceilings heights of the above grade residential units are as follows:

2nd floor:	8'-0" Approx. (Average of high and low points)
3rd floor:	13'-6" Approx. (Average of high and low points)
4th floor:	13'-6" Approx. (Average of high and low points)
5th Thru PH floor :	11'-6" Approx. (Average of high and low points)
PH Duplex:	11'-0" Approx. (Average of high and low points)

5. Equipment Rooms: The height from the top of the roof deck to the top of the elevator Bulkhead is approximately 16'-0".

6. Parapets/Roof Railings: There are existing parapets that vary in height with a high point of an approx. 8'-0" high for the parapet facing East 20th Street and Park Avenue South. The parapet along the courtyard at the roof above the Penthouse floor with an approx. height of 3-6"

H. Occupancy

1. Residential Units: There are 203 residential apartment units within this building Located from the Cellar through PH Floors.

2. Sub-Cellar: Boiler Room, Elevator control and machine room, gas meter room.

3. Cellar: Utility Spaces, Building Supers Office, Common Spaces are located on the Cellar along with 3 Studios for Art, Music, Dance, and Theatrical with living accommodations accessory to Commercial or Manufacturing Uses.

4. First Floor: Retail Commercial space, Residential Lobby, Residential Units located on the First floor.

5. The floor numbering systems for Construction and marketing are identical: Although there is a 13th Story; it is designated as the Penthouse Floor Sub-cellar, Cellar, and Floors (1) One through (PH) Penthouse, and Roof.

I. Dimensions of the Units

The approximate gross area measurement of every residential unit, and retail space will consist of the area measured horizontally from the exterior face of the exterior walls of the existing Building to the centerline of the partitions separating one unit from another unit, and to the centerline of the wall separating one unit from corridors, stairs, elevators, and other mechanical spaces or any common elements (as herein after defined).

Each residential unit and retail space will consist of the area measured vertically from the top of the sub-floor to the underside of the structural members above.

The individual terraces will be measured from the adjoining exterior wall to exterior wall surrounding the terrace. Shared terraces will be measured from exterior face of window to exterior face of guard railing or Parapet and from centerline of the divider separating one terrace from another.

All dimensions are approximate and subject to construction variances and reasonable tolerances. Dimensions are overall within a room or space, subtracting cutouts.

J. Structural System

The following description is based upon an initial visual inspection which occurred on October 18, 2005 along with subsequent site visits and review of Property reports and records of the property.

The existing structure of 254 Park Avenue South consists of concrete foundations, masonry walls, Steel Columns, Beams, Girders and Concrete floors and is scheduled to remain.

Any future alterations to the Building must be approved by the NYC Department of Buildings and other agencies having jurisdiction.

K. Building Exterior

1. Exterior walls are existing, North, South, East, and West are Masonry with windows and terraces. The existing exterior walls consist of exterior facebrick and terra cotta with several wythes of interior back-up masonry, and interior plaster finish over wood furring. The exterior wall is comprised of mostly single pane double hung window (approx. 75%) with poor R value that does not meet Energy Code requirements. The Roof is a modified bitumen roof with aluminum coating over sloped rigid insulation with varied thickness (approx. R-10). The existing exterior walls and roof is not compliant with NY State Energy conservation construction code. No changes are proposed. Minor façade repairs are required in accordance with NYC Local Law 10/11. Refer to attached report on exterior facades from I. Leonard Messer, P.E.

2. Windows: No New windows will be provided at the Residential floors. The windows along Park Avenue South and 20th Streets are original painted steel and single pane glass double hung windows and are in fair condition. The windows facing the courtyard are Operable aluminum and double insulated glass sliders that were installed in 1978 and are in good condition. The existing windows will remain at the facades facing Park Avenue South, East 20th Street and the Courtyard. They are operable windows and have no designated make and model no's . The windows are existing and do not have a manufacturers warrantee regarding defects. Existing doors either hinged or sliding are provided at terraces. Existing sills and lintels are in good condition with the exception of Items requiring repair indicated in attached Local Law 10/11 Report.

3. Lot Line Windows: There are no lot line windows

4. Balconies and Terraces:
No Balconies are provided at residential units. Terraces are provided as noted in section W, "Unit Information". Deck finish at Terraces are non skid concrete. Terraces are enclosed with a painted metal guardrail to a height of 3'-6" for the exclusive use of the units where Terrace is located.
Roof drains are installed to prevent ponding or standing water.
Doors to private Terraces are metal doors with insulated glass.

L. Exterior Entrance

1. Building will have separate entrances for the 2 uses, a single residential entrance, and individual retail entrances. The entrance to the Residential Lobby is located at the southerly portion of the Park Avenue South facade. The entrance is existing, and is accessed from sidewalk along Park Avenue South. There is an existing step at the Residential Entrance and is adequately illuminated as not to present a security or tripping hazard.

2. The entrance to the Retail spaces are provided along the Park Avenue South and East 20th Street Facades.

3. Service Entrances: No service entrances exist

4. Exterior Doors and Frames:
The existing entrance at the Residential Lobby includes a vestibule that is entered from both interior and exterior by a pair of metal and glass doors with fixed transoms. The Retail spaces are entered through glass doors along the Park Avenue South façade, and along the East 20th Street façade. Any modifications to the exterior will require approval of the NYC Department of Buildings.

5. Exterior Stairs: No exterior stairs exist.

6. Railings: Painted metal railings are provided at interior stairs.

8. Mail Boxes: Mail is to be placed in government approved individual mailboxes located in the Residential Lobby.

9. Lighting: Existing ceiling mounted incandescent lights are in the ceiling of the Residential Lobby.

10. Canopies: Existing steel frame canopy will remain at the Residential Lobby entrance.

M. Roof and Roof Structures

1. Material: Existing modified bitumen roof with Aluminum coating over concrete slab.

2. Insulation: Existing rigid insulation.

Surface Finish: Existing roof membrane to remain

3. Expected Useful Life: Approx. 5 years

4. Flashing Material: Bituminous and Metal base flashing.

5. Parapet Finish: Masonry parapet with terra cotta, cast stone and metal copings with Steel bracing. The Parapets and coping appear to be in good, safe condition and are structurally sound.

6. Drains: Material and Type: cast-iron body, 6" diameter. Located at all roofs;
(1) located at main 13th story roof, (2) located at Residential private balconies
(3) located at duplex units, stair and elevator bulkheads.

8. Skylights: There are existing metal ridge vented skylights with wire glass and steel frame at stair bulkheads, as required by code, and also located at Residential Duplex PH (M).

9. Bulkheads and Chimney: Elevators: Existing residential Elevator and Stair bulkhead constructed with a Steel Frame and Masonry exterior walls. Existing Chimney serving Residential Boilers located adjacent to Elevators is masonry with a stone cap.

10. Stairs: Existing metal pan stairs from cellar through 13th story rooftop with concrete masonry unit enclosures are located within the stair bulkheads. The stair and elevator bulkheads have a brick veneer exterior.

11. Metal Work at Roof Level:
Vertical Ladders: existing steel ladders provide access to elevator and stair bulkheads, and to mechanical equipment located at roof level.

12. Roof Top Facilities:
The condominium and board of managers will have unlimited access to all areas of the building including but not limited to all residential units, retail space, commercial, common residential space, all roofs and cellar upon reasonable notice for the purpose of making inspections and repairs.

Any change to the location, configuration or materials of the bulkheads and access stairs to the roof from the top floor units requires a permit from the Department of buildings. Any additional roof terrace construction, including any terrace paving, plumbing work, electrical work, or terrace structures requires approval from the board of managers and a permit from the NYC Department of Buildings.

There are no fire escapes. Fire egress is provided to all residential units via interior corridors to remote Fire exit stairs.

13. Yards and Courts: There is one court existing with this building, otherwise the site is Fully developed.

i. Paving at courts; existing concrete surface to remain

ii. All courts are drained: existing cast iron storm drains to remain.

iii. Railings: n/a

iv. Stairs: n/a

v. Fencing: n/a

14. Interior Stairs
Number of Stairs: There are 2 egress stairs in the existing Building. The stairs go from the cellar level up to the PH Floor and roof level. There are 2 access stairs within the PH floor residential duplex units to the Roof level for exclusive use of the duplex units that the access stairs serve.

Enclosure:
Egress Stairs are enclosed in 2 hour fire rated concrete masonry unit construction, painted.
Access stairs within Residential duplex units are unenclosed and wood construction.
Access stairs to mezzanines and storage lofts are wood construction.

Stair Construction: Existing egress stairs are concrete and steel pan Construction in good condition and doors leading to exit stairs are self closing fire rated hollow metal with a 1 ½ hr rating .

Stringers: All Exit stairs have steel stringers.

Treads: Exit Stairs have Concrete treads. Access stairs have steel treads

Risers: All Exit stairs have Steel risers.

Guard Rails: All Exit stairs have Steel pipe guard railings.

Handrails: All Exit stairs have Steel pipe hand railings.

15. Interior Doors and Frames:
Unit Entrances: Residential unit entrances are 3'-0" x 7'-0" hollow metal fire rated doors and frames and meet the New York City Building Code requirements. The residential interior doors are wood doors with painted wood frames. The retail unit entrance doors are metal and glass in metal frames.
Stair Doors and Frames: All doors leading to egress stair or room/spaces located on egress corridors have 3'-0"x7'-0" hollow metal doors fire rated with hollow metal frames and meet the New York City Building Code requirements.
Roof Doors, Cellar Doors and Frames: These doors and frames are hollow metal, fire rated and meet the New York City Building Code requirements.

16. Elevators:
There are three (3) passenger elevators servicing the Building; Cellar, 1st Floor, and Floors 2 thru PH. All elevators will double as Service elevators. Each cab has a design capacity of 2,500 pounds and sized to accommodate 6 people. The elevators are placed within 2 hour fire rated shafts. They are traction type passenger elevators manufactured by Roberts Elevator. The elevators are approx. 12 years old 2,500 pound capacity with an average speed of 300 ft/min. All motors, controllers and cables are located in the elevator machine room in the cellar and at the rooftop.
Required certificates of inspection and permits for the operation of the elevators have been issued and inspected on a regular basis by the NYC Department of Buildings.

17. Elevator Cabs (All existing material and equipment to remain unchanged.)
The walls are covered with Plastic Laminate veneer, carpet floors, acrylic ceiling. The lighting of the cab is incandescent down-lighting. Elevator cabs are equipped with communications eq uipment.
The doors to the shafts are steel two-speed sliding doors with a metal cladding at the Ground floor and baked enamel finish at all other floors. The doors to the cabs are metal clad. The Elevators and Cabs are in good condition.

N. Auxiliary Facilities

1. Laundry facilities: There are common laundry facilities in the Building. Washer and dryer units are provided at each residential floor for residential use. See Section W-3 for equipment specification.

2. Refuse Disposal:

Incinerators: None
Compactor: Existing to remain
Chute: Existing to remain

Storage Location: The trash bags are stored inside Refuse storage room in cellar until they are transferred to street for pick up by NYC Department of Sanitation. Retail spaces are responsible for the removal of their own rubbish and trash.

The trash bags from the residential units will be picked up curbside by the New York City Department of Sanitation.

3. Storage: No residential common area storage is provided

O. Plumbing and Drainage Systems

1. Water Supply and Distribution:

Existing 3" dia. Copper pipe water service is provided from Street. The water service is collectively metered.

Domestic hot and cold water system for the Residential units are horizontally distributed at the roof level from a roof tank. to water risers, placed within fire rated shafts. Branch piping of hard copper tube are provided to all plumbing and kitchen fixtures, kitchen appliances and mechanical equipment. Residential Hot water will be provided by a tankless hot watercoil located in the boiler.

2. Fire Protection Systems:

This is an existing J-2 Residential Building and is not required to have A fully sprinklered building. The cellar is partially sprinklered. Areas in the cellar are provided with limited sprinkler coverage from the rooftank. The system is in good working condition. The building is equipped with a fire standpipe system and is in good working condition. Fire protection systems meet NYC Code requirements for existing Residential Buildings.

Sprinkler/Standpipe Piping is Schedule 40 Steel. The piping is a combination of Victaulic and screwed fittings.

3. Water Storage

There are 3 roof top water storage tanks located on the roof, (1) domestic/standpipe 12,000 gallon tank and (2) 9,000 gallon fire service tanks . Residential and Retail space Heating is provided by existing boilers located in the cellar. Domestic hot water is provided by coils located within the boilers.

4. Water Pressure

The existing domestic water system from street service supply is designed to provide adequate water flow with the use of (2) 15hp water pumps up to a domestic watertank on rooftop. Water is then distributed from the 12,000 gallon rooftop watertank throughout the building. Water is distributed through existing risers of hard copper tube and branches of hard copper tube to plumbing fixtures and equipment requiring water.

Existing Piping system is designed not to exceed a velocity of 8 fps at design flow conditions.

System is designed to prevent water hammer conditions by providing air chambers at fixtures and strapping as required.

The existing minimum of 20 psi is provided at the highest plumbing fixture.

5. Sanitary Drainage

Sanitary drainage piping from the cellar to thirteenth floor is by gravity from all plumbing fixtures and equipment requiring drainage to a point of connection with existing Building house trap at foundation walls is in accordance with NYC applicable codes.

Storm Drainage

Building has an existing storm drainage system located at main roof, terraces, and courtyard that connects to existing city combined sewers via a building house trap. System is adequate for existing building and paved surface area. The exterior courtyard is at cellar level and is pitched to drains. Regular maintenance of all drains needs to occur to prevent blockage and potential water ponding.

6. Vent Systems

Vent piping from all fixture drains, equipment and stacks to points of termination above the 13th floor roof is in accordance with NYC applicable codes.

7. Catch basins: None

8. Roof Drains:

Roof and terrace drains are located on the roof and terraces

7. Permits:

Any changes to water service and sanitary discharge requires that approvals and permits be obtained for a new water service and backflow preventer from New York City D.E.P as required for use in New York City.

P. Heating

1. Heating and Distribution System:

Heating system that is provided for Retail and Residential units is capable of maintaining legally required conditions under anticipated weather conditions prevalent in the NYC Region.

Heating is provided by existing boilers located in cellar that produce steam. (1) Boiler manuf. By A.L. Eastmond is rated for 5,198 MBH output and is approx.40 years old, and is in good operating condition. The anticipated life of this boiler is approx. another 5 to10 years and will then require replacement. (2) Boiler is manuf. By Weil McLain and is rated for 5,250 MBH output and is approx. 20 years old and is in good operating condition. The anticipated life of this boiler is 15 to 20 years and will then require replacement.

The boilers feed perimeter cast iron steam radiators located within the individual Residential and Retail units.

All existing required pumps, valves, and assemblies are installed as part of the heating system as required for proper operation

The building heating system should be able to maintain adequate legally required temperatures under anticipated weather conditions for the NYC region.

Q. Gas Supply

All gas is supplied and separately metered in the gas meter room located in the Subcellar. All Gas Piping is schedule 40 Steel.

R. Air Conditioning

No air conditioning system for individual residential units are provided. Individual units are permitted to install window A/C units or through the wall A/C units in accordance with Building Rules and applicable codes.

S. Ventilation

The Residential units are naturally ventilated by operable windows on the Park Avenue South, East 20th Street, and courtyard facades.

Separate exhaust ducts from each Residential Unit tied to common exhaust ducts up to the roof are provided for kitchenettes. The exhaust fans are roof-mounted and maintained by building management. Individual fans are provided at the range hood of each unit. Maintenance for individual fans will be the responsibility of the unit purchaser.

Separate exhaust ducts from each Residential Unit and Retail space tied to a common exhaust to the roof are provided for all Bathrooms and toilet rooms. The exhaust fans are roof-mounted and are maintained by building management. Maintenance for independent individual toilet exhaust fans will be the responsibility of the individual unit owner.

T. Electrical

1. Services

Existing Electric Service to the Building is provided by Con Edison and is 3,200 amp, 110/208 volts, 3 phase 4 -wire located in the cellar. Existing service provided will remain for Retail and Residential Units. Existing service is 60 Amps for the Studio Units and 120 Amps for the 1 Bedroom and Duplex Units. The electrical distribution allowance to the residential Units was performed in accordance with electrical codes in effect at the time the building was converted to Residential use in 1978. This does not meet current standards for power and there is no intent to upgrade the system at this time.

Telephone service is existing and is available by Verizon or other service provider for Residential and Retail space service. It is the responsibility of the individual unit owner to arrange for service to the residential or retail unit

Cable TV service is available from Time Warner or other service provider for residential units only. It is the responsibility of the individual unit owner to arrange for service to the residential or retail unit

2. Metering

Con Edison meters are provided for building Common Area Service and Retail space. Separate meter banks are provided for collective service to residential and retail units. Meters are located in the cellar.

3. Distribution/Utilization Systems
Distribution voltage is 120/208 volts, 3 phase, 60 Hz for Elevator controllers, motors and related equipment. A/C units, Hot water and heating equipment and systems for all common areas and Retail space. Existing 110/208 volts, single phase individual service is provided for all residential units.

Individual 120/208 volt, 3 wire type MC cable risers are provided, strategically located to serve stacked residential circuit breaker panels.

4. Wiring and Raceways

Wiring:

All existing wiring is scheduled to remain.

In general, all feeder cables are copper conductor with type THHN insulation or Metal-Clad 'MC' cable.

In general, all branch circuit wiring is copper conductor with insulation, armored cable where concealed or EMT where exposed and/or Metal-Clad 'MC' cable.

Raceways:
Any new Raceways if installed will be EMT in general. Rigid galvanized steel will be used for conduits embedded in concrete or underground if installed.

Armored cable (BX) is existing and will be utilized for any new distribution for concealed branch circuit wiring, where permissible by code.

5. Wiring Devices:

Receptacles are standard specification grade, 125 volt, 2 pole 3 wire, grounded, 15 ampere for convenience and 20 ampere or as required for appliances circuits. GFI type outlets are provided within 6 ft of sinks and in bathrooms.

Local toggle switches will be standard specification grade quiet type, 15 ampere.

5. Service Equipment, Distribution Panels and Metering:

Service switches are existing and any upgrade will be bolted pressure type with 200,000 ampere interrupting capacity. Distribution panels will consist of QMQB type switches and fuses grouped in a panel, approved for use in NYC

Existing panels are sheet steel, zinc chromate and painted finish.

Existing Con Edison residential collective meters are to remain.

Distribution panels have copper buses.

7. Residential Unit Panels:

Each Residential Unit are provided with existing 60 or 120 Amp Panels that are Load center circuit breaker type, with On, Off and Trip positions and existing branch circuits, with existing capacities to remain.

8. Emergency Lighting:

Exit signs, stair lights and selected exit and utility space lights are battery backed-up to provide emergency power upon loss of utility power. They are located throughout the building in accordance with NYC code requirements.

9. Lighting and Power:

Switched incandescent lighting fixtures are to remain in all Bathrooms, Entries and Kitchens.

Ground fault receptacles are provided in Bathrooms and Kitchenettes.

Appliance and convenience outlets are existing in accordance with NYC Electrical Code.

Roof is provided with receptacles for maintenance and general use.

10. Fire Alarm / Smoke Detection System:

An Interior Fire Alarm System (IFA) is not required by Code in a J-2 occupancy, which the residential units are classified. The retail spaces may need an (IFA) depending on the future occupant. If this is required for that occupant then the installation of the system will be provided by that occupant in accordance with all agencies having jurisdiction.

Sprinkler flow and tamper alarms are provided as required by Code.

Individual residential units are provided with stand-alone smoke and carbon monoxide detectors outside sleeping areas.

Area smoke detection is provided for mechanical and electrical spaces over 75 SF in accordance with the NYC Building Code.

U. Intercommunication / Security / Television

The Residential units are provided with wall mounted intercom system, permitting the occupants of the residential units to communicate with the entry vestibule by voice.

Telephone service wiring is provided to all residential units. Each residential unit must establish a separate account with a service provider for telephone service.

Cable television wiring is provided to all residential units. Each residential unit must establish a separate account with a service provider for cable service.

V. Public Area Lighting

Lighting is furnished to the public areas of the Building through fluorescent and/or incandescent fixtures.

W. Garage and Parking Area: None

X. Tennis Court / Playgrounds / Recreation Facilities: None

Y. Permits and Certificates:

1. The following Permits and Approvals will be obtained as required:

New York City Department of Buildings:
General Construction and Plumbing Permits
HVAC, Equipment Use Permit
Certificate of Occupancy

Elevator Certification and Inspections

Certificate of completion from the Bureau of Electrical Control

New York City Department of Transportation

New York City Fire Department

Local law 10/11 façade certification: Façade inspection is required every five years on all buildings six stories in height or taller to certify that all projections and appurtenances are structurally sound. Upon completion of façade repairs the Building will require Local law 10/11 certification.

General Building Condition is that this is a 93 year old structure with ugrades during the late 1970's. The building is in good condition and with the exception of exterior façade repairs nothing immediately requires repairs or is currently a safety hazard. Refer to attached LL 10/11 report for specific information. Future repairs and replacement would include; mechanical systems, boilers and circulation pumps, rooftop water storage tank, exterior original street façade windows.

Z. Unit Information

Each of the residential units and retail space includes the following finishes and fixtures, existing to remain within the space, with existing mechanical, existing electrical, existing plumbing in good general working order.

There are (203) residential units in the Building.

There are (4) retail units located on the first floor of the building. The Cellar will contain (3) Studios with Accessory living space, and residential Common Space. The remaining portion of the Cellar is occupied with the lower level mechanical, and miscellaneous building utility rooms.

Retail and Residential Units are provided as follows:

Unit Location/Designation	Unit Type	Unit Description
Cellar Floor Res. Unit - K	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Cellar Floor Res. Unit - O	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Cellar Floor Res. Unit - P	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
First Floor Retail Space -1	Commercial	Commercial Retail Space
First Floor Retail Space -2	Commercial	Commercial Retail Space
First Floor Retail Space -3	Commercial	Commercial Retail Space
First Floor Retail Space -4	Commercial	Commercial Retail Space
Second Floor Res. Unit -A	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Second Floor Res. Unit -B	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Second Floor Res. Unit –C	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Second Floor Res. Unit -D	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Second Floor Res. Unit -E	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Second Floor Res. Unit -F	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Second Floor Res. Unit - G	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Second Floor Res. Unit - H	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet

Second Floor Res. Unit -J	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Second Floor Res. Unit - K	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Second Floor Res. Unit - L	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Second Floor Res. Unit - M	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Second Floor Res. Unit - N	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Second Floor Res. Unit - O	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Second Floor Res. Unit - P	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Second Floor Res. Unit - R	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Third, Fourth Floor Res. Duplex Unit -A	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom, Mezzanine
Third, Fourth Floor Res. Duplex Unit -B	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom, Mezzanine
Third, Fourth Floor Res. Duplex Unit -C	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom, Mezzanine
Third, Fourth Floor Res. Duplex Unit -D	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom, Mezzanine
Third, Fourth Floor Res. Duplex Unit -E	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom, Mezzanine
Third, Fourth Floor Res. Duplex Unit -F	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third, Fourth Floor Res. Duplex Unit -G	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third, Fourth Floor Res. Duplex Unit -H	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third, Fourth Floor Res. Duplex Unit -J	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine

Third, Fourth Floor Res. Duplex Unit -K	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third, Fourth Floor Res. Duplex Unit -L	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third, Fourth Floor Res. Duplex Unit -M	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third, Fourth Floor Res. Duplex Unit -N	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third, Fourth Floor Res. Duplex Unit -O	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Mezzanine
Third, Fourth Floor Res. Duplex Unit -P	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom, Mezzanine
Third, Fourth Floor Res. Duplex Unit -R	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom, Mezzanine

Typical Floor Res. Unit -A	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Typical Floor Res. Unit -B	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Typical Floor Res. Unit –C	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Typical Floor Res. Unit -D	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Typical Floor Res. Unit -E	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Typical Floor Res. Unit -F	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Typical Floor Res. Unit - G	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Typical Floor Res. Unit - H	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Typical Floor Res. Unit -J	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Typical Floor Res. Unit - K	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet

Typical Floor Res. Unit - L	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Typical Floor Res. Unit - M	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Typical Floor Res. Unit - N	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Typical Floor Res. Unit - O	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet
Typical Floor Res. Unit - P	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Typical Floor Res. Unit - R	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom
Penthouse Floor Res. Duplex Unit -M	Studio Apartment	Living Rm., Kitchenette, Bathroom Closet, Rooftop Penthouse
Penthouse Floor Res. Duplex Unit -R	1 Bedroom	Living Rm., 1 Bedroom, 2 Closets Kitchenette, Bathroom, Rooftop Penthouse

Finish Schedule for Typical Units:

(All existing finishes are to remain and are similar to the following:)

Space	Floor	Wall	Base	Ceiling
Residential Unit				
Entry	WD	PT/GWB	WD	PT/GWB
Living/Dining	WD	PT/GWB	WD	PT/GWB
Bedrooms	WD	PT/GWB	WD	PT/GWB
Kitchen	VCT	PT/GWB	WD	PT/GWB
Standard Bath	CT	CT/PT	CT	PT/GWB
Closet	WD	PT/GWB	None	PT/GWB
Retail Space				
Retail Area	CON	EXP	-	EXP
Toilet Room	CT	CT/PT	CT	PT/GWB

Abbreviations for Finishes

CON	concrete
CPT	carpet
CT	ceramic tile
DE	deck enamel
GWB	gypsum wallboard
GT	glass tile
MT	metal
PT	paint
S	stone
ST	stone tile
TER	terrazzo
WD	wood
VCB	4" vinyl base

Bathroom /Toilet Room Fixtures:
(All existing fixtures are to remain and are similar to those listed below:)

Standard Bathroom: (Residential Unit)
Toilet: American Standard
Lavatory: Pedestal sink: American Standard
Lavatory faucet: American Standard
Bathtub: American Standard (no whirlpool)
Bath faucet: American Standard
Standard Toilet Room: (Retail Space)
Toilet: American Standard
Lavatory: Pedestal sink: American Standard
Lavatory faucet: American Standard

Kitchen Appliances (All appliances are existing and are similar to those listed below)

Refrigerator:	GE ; 21.7 cu. ft. with Top Freezer
Gas Range:	GE ; 30" Freestanding Range,
Hood:	Standard GE Exhaust Hood matched with range.
Dishwasher:	GE; Undercounter
Microwave:	GE ; microwave.
Sink:	American Standard; Stainless Steel.
Cabinets:	European style – Plastic Laminate.
Countertop:	Plastic laminate.

Information about Public Spaces

Washer/Dryer:	Existing clothes washer and gas dryer to remain Located in corridor at each residential floor

Finishes of public Spaces are existing and similar to those listed below:

Space	Floor	Wall	Base	Ceiling
Lobby	ST	MAS	ST	ACT
Stairs	DE	PT	-	EXP
Elev. Lobbies	CPT	PT	WD	PT
Public Corridors	CPT	PT	WD	PT

Abbreviations for Finishes

CON	Concrete
CPT	Carpet
CT	Ceramic tile
DE	Deck enamel
MA	Existing restored masonry wall
MT	Metal
PT	Paint
S	Stone
ST	Stone tile
TER	Terrazzo
WD	Wood

Safety and Warning Devices:

Smoke Detectors and Carbon Monoxide Detectors as required by Code have been or will be installed in all units and common areas, elevator machine room and boiler room.
Fire alarm system if required for the Retail units, will be the responsibility of that individual Retail unit purchaser.

Copies of Asbestos and Lead Paint Reports attached for review.

Matt S. Markowitz, R.A.
November 23, 2006

END OF REPORT

EXHIBIT "5"

ASBESTOS REPORT

KTR NEWMARK

PHASE I
ENVIRONMENTAL SITE ASSESSMENT

254 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10010

KTR Project No. 05-1-1-161

Prepared For:

TRI-REALTY MANAGEMENT
275 MADISON AVENUE
NEW YORK, NEW YORK 10016

Prepared By:

KTR Newmark Consultants LLC
575 Lexington Avenue, 17th Floor
New York, New York 10022

August 3, 2005

KTR contacted the Fire Department of the City of New York (FDNY) for information regarding USTs at the subject property. A response is pending. Any pertinent information will be forwarded upon receipt.

6.7.2 ABOVEGROUND STORAGE TANKS (ASTs)

Visual evidence that would indicate past or present ASTs at the subject property, such as a concrete foundation or containment walls, pedestals, or steel support structure, was not apparent during the subject property visit. In addition, the regulatory review as discussed further in Section 7.1 did not indicate evidence of past or present ASTs.

KTR contacted the FDNY for information regarding ASTs at the subject property. A response is pending. Any pertinent information will be forwarded upon receipt.

6.8 POLYCHLORINATED BIPHENYLS (PCBs)

Polychlorinated Biphenyls (PCBs) are known hazardous materials that are found in coolants or lubricating oils used in some electrical transformers, light ballasts, electrical panels or other similar equipment. PCB content in electrical transformers has been grouped into three (3) regulatory categories by the federal government. Parts per million is signified by ppm.

0 - 50 ppm	non-PCB unit
50 - 500 ppm	PCB contaminated unit
>500 ppm	PCB unit

Utility companies often own transformer equipment and typically assume the responsibility for repair or replacement of damaged or leaking units and for required cleanup or remediation activities. Indications of damage or leakage should be immediately reported to the responsible utility company.

No major electrical equipment (transformers, capacitors) likely containing PCB oils was observed at the subject property.

6.9 UTILITIES

ELECTRIC:	Con Edison
GAS:	Con Edison
POTABLE WATER:	City of New York
SEWAGE SERVICE:	City of New York

The City of New York obtains the majority of its potable water from reservoirs located in Westchester County (Croton).

6.10 ASBESTOS CONTAINING BUILDING MATERIALS (ACBMs)

This ESA includes general information pertaining to ACBMs. Materials that contain over 1% asbestos fibers are considered ACBMs and must be handled according to Occupational Health and Safety Administration (OSHA) and United States Environmental Protection Agency (EPA) regulations if disturbed.

Typical building materials that contain asbestos are found in a variety of types and uses including floor tile, sheet flooring, mastic, ceiling tile, spray-applied acoustical/decorative ceiling materials, plaster, wallboard and wallboard joint compound, insulation, roofing and flashing and many other materials in common use prior to 1978. On July 12, 1989, EPA issued a final rule banning most asbestos-containing products. In 1991, this regulation was overturned by the Fifth Circuit Court of Appeals in New Orleans. As a result of the Court's decision, the following specific asbestos-containing products remain banned: flooring felt, rollboard, and corrugated, commercial, or specialty paper. In addition, the regulation continues to ban the use of asbestos in products that have not historically contained asbestos, otherwise referred to as "new uses" of asbestos. ACBMs may be present in debris piles containing discarded building construction materials. Asbestos fibers are also occasionally found in surficial soils in industrial or similar areas.

ACBMs identified as "friable" (capable of being crumbled, pulverized, or reduced to powder by hand pressure) have a greater potential for release of fibers to the atmosphere and are of greater concern than non-friable ACBMs. Friable ACBMs that are damaged require renovation or removal and are of the greatest immediate concern.

Sampling and analysis for ACBM is not within the scope of an ASTM Phase I investigation. However, at the request of Tri-Realty Management, this investigation included a limited screening with sampling of any readily observable suspect ACBM. Suspect ACBM was observed during the subject property reconnaissance as noted below in Table 4. Sampling and subsequent laboratory analysis was conducted and ACBM was identified in the form of wall plaster and roofing material. See Appendix H for laboratory results. **KTR recommends an Operations and Maintenance Plan for proper maintenance of the ACBM identified based on the condition, friability and location of the material.**

TABLE 4–ACBM SUMMARY TABLE

SAMPLE NUMBER	MATERIAL OBSERVED	LOCATION	CONDITION	ESTIMATED QUANTITY	ASBESTOS CONTENT (%)
1	Drywall	Apartment 7A	Good, friable	Throughout the apartment.	None detected.
2	Drywall	Apartment 6J	Good, friable	Throughout the apartment.	None detected.
3	Drywall	Apartment 5M	Good, friable	Throughout the apartment.	None detected.
4	Drywall	Apartment 4M	Good, friable	Throughout the apartment.	None detected.
5	Drywall	8th floor hallway	Good, friable	Throughout the common areas.	None detected.
6	Drywall	4th floor hallway	Good, friable	Throughout the common areas.	None detected.
7	Wall plaster	Sub-basement	Fair, friable	600 square feet (SF)	2.28 % Chrysotile
8	Wall plaster	Basement stairwell	Fair, friable	200 SF	1.40 % Chrysotile
9	Wall plaster	Electrical room.	Fair, friable	100 SF	3.20 % Chrysotile
10	Wall plaster	Storage room.	Fair, friable	100 SF	1.20 % Chrysotile
11	Roofing material	Roof	Good, non-friable	Throughout roof.	4.80 % Chrysotile
12	Roofing material	Roof	Good, non-friable	Throughout roof.	4.60 % Chrysotile

Prior to any demolition or renovation activities, a more in-depth evaluation should be conducted. This would typically include a comprehensive asbestos survey with bulk sampling and laboratory analyses, an in

depth review of building construction documents to include approved submittals, and information available from manufacturers of the various materials, or a combination of these.

6.11 LEAD-BASED PAINT (LBP)

This ESA includes general information pertaining to LBP. LBP is paint with a lead concentration greater than 5,000 parts per million (ppm) as defined by the EPA. LBP may be an environmental concern in residential properties based on the condition and maintenance of the paint and the presence or absence of LBP hazards. A LBP hazard is defined as damaged paint or paint covering a deteriorated subsurface that may create dust or chips that could potentially be ingested or inhaled. The federal government banned the use of LBP in 1978.

Sampling and analysis for LBP are not within the scope of an ASTM Phase I investigation. However, at the request of Tri-Realty Management, this assignment included a limited LBP screening with sampling of paint chips, which exhibited the presence of lead via Lead Check Swabs. The results are summarized in Table 5.

TABLE 5 - LBP CHEMICAL REACTION SWAB TEST RESULTS

SAMPLE NO.	SAMPLE DESCRIPTION, COMMON SPACES	RESULT
1	2nd floor elevator frame.	Negative
2	4th floor, apartment 4M exterior door frame.	Negative
3	4th floor laundry room wall	Negative
4	5th floor, apartment 5M exterior door frame	Negative
5	5th floor laundry room wall.	Negative
6	6th floor stairwell wall.	Negative
7	7th floor elevator frame.	Negative
8	7th floor stairwell wall.	Negative
SAMPLE NO.	**SAMPLE DESCRIPTION, APARTMENTS**	**RESULT**
	Apartment 7A	
13	Bathroom door.	Negative
14	Kitchen wall.	Negative
15	Bedroom wall.	Negative
	Apartment 6J	
16	Living room closet shelf.	Negative
17	Bathroom wall.	Negative
18	Living room wall.	Negative
	Apartment 5M	
19	Kitchen wall.	Negative

TABLE 5 - LBP CHEMICAL REACTION SWAB TEST RESULTS		
20	Bedroom wall.	Negative
21	Bathroom wall.	Negative
Apartment 4M		
22	Bathroom door.	Negative
23	Living room closet shelf.	Negative
24	Bedroom wall.	Negative

LBP was not detected during the site reconnaissance and the paint observed at the subject property was in good condition. **No further action is recommended at this time.**

Local Law 1 of 2004 ("Local Law 1") is a comprehensive new law concerning the prevention of childhood lead poisoning through the remediation of lead paint hazards in housing and day care facilities. This legislation repeals the former lead law, Local Law #38 of 1999. The law covers all pre-1960 multiple dwellings. The law also places certain responsibilities on owners in post-1960 to pre-1978 buildings where the owner knows there is lead based paint. Owners whose buildings fall into this category should consult the law. The provisions of Local Law 1 do not apply where title to a multiple dwelling unit is held by a cooperative or condominium and the shareholder of record or his or her family occupies the unit. The law does however apply to cooperative or condominium units occupied by a tenant or subtenant.

The owner of the subject property is responsible for the following:

1. Annual notification of all occupants as well as notification of occupants upon lease-up, lease renewal, and agreement to lease or commencement of occupancy inquiring if there are children under 7 years of age residing in the unit. Owners must include a notice about owner responsibilities under the law with each lease and must provide a pamphlet informing occupants about lead. There is also a requirement that owners physically inspect units whose occupants do not respond to determine if there is a child under 7 residing in the unit.
2. Owners must investigate units where children under 7 reside as well as common areas in the property to find peeling paint, chewable surfaces, deteriorated subsurface, and friction and impact surfaces. This investigation must be conducted at least annually, or more often if the owner knows about a condition that may cause a lead hazard, or the occupant complains about such a condition.
3. Remediation of lead hazards, using safe work practices and trained workers.
4. Making apartments lead safe on turnover.
5. Using safe work practices for all repairs and renovations performed in a unit where a child under seven resides and in the common areas of buildings with such units.

6.12 RADON

This ESA includes general information pertaining to radon. Radon gas is a gas created from the radioactive decay of uranium. It exists in soil with a high concentration of uranium rocks or industrial waste. Radon gas may seep into and accumulate in dwellings through cracks in the foundation or walls or any other opening such as a floor drain.

EXHIBIT "6"

LOCAL LAW 11 REPORT

THE CITY OF NEW YORK
DEPARTMENT OF BUILDINGS

Technical Report: Periodic Inspection of Exterior Walls and Appurtenances

February 21, 1998 -- February 21, 2003
Please File 3 Copies
This Form Must Be Typewritten and Microfilmed with the Report

Central or for location

Cycle Number:

1 Filing Status

X Initial Filing | Amended Filing (indicate latest filing date) / /

Was filing made for any property under Question 7 (yes, indicate last filing date: 3/18/98

Supplemental Cycle 4 Local Law 11/98 Filing (indicate initial filing date) / /

2 Location

Borough Manhattan | Block 849 | Lot(s) 36 | BIN 1016272

House Nos. 254 | Street Name Park Avenue South

X A.K.A. address(es) 51-55 East 20th Street

3 Applicant

Last Name Moser | First Name J. Leonard | M.I.

Business Name Moser Consultants | Business Phone (718) 291-3113

Address P.O. Box 030500 | City Elmont | State NY | ZIP 11003-0500

X P.E. | R.A. | Lic. No. 38340

4 Owner

Last Name Fusco | First Name Michael | M.I. | Title Agent

Business Name 254 Park Avenue South Associates c/o Tishman Properties | Business Phone 516-783-6500

Address 2700 Grand Avenue | City Bellmore | State NY | ZIP 11710

5 Building Characteristics

Number of Stories 12 + PH | Exterior Wall Type Brick, stone and terra cotta

6 Prior Status - Last Cycle Local Law 10/80

Ongoing Maintenance Program | X Presumptively Compliant | Unsafe Conditions

Conformed with Code Requirements | Current Completion of Work Estimated to be 50 % | Current Completion of Work Estimated to be %

7 Current Field Report - Critical Examination

SAFE! All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives.

X SAFE WITH A REPAIR AND MAINTENANCE PROGRAM All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives except for the hazardous (Major Repair and Maintenance) work described in the report and below:

see item #19 of report

UNSAFE. All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives except for the unsafe conditions described in the report and below:

8 Statements and Signatures

Falsification of any statement is a misdemeanor under section 64.20 of the Administrative Code and is punishable by a fine or imprisonment, or both.

It is unlawful to give to a city employee, or for a City employee to accept, any benefit, monetary or otherwise, which is primarily for property surrounding the job or in exchange for special consideration. Violation is punishable by imprisonment or fine or both.

Applicant's Name (print):

I hereby state that the owner has authorized me to make this submission. If applicable, I hereby state that all statements are true and correct to the best of my knowledge. A copy of this report has been given to the owner.

STATE OF NEW YORK — LEONARD MOSER — LICENSED PROFESSIONAL ENGINEER — NO. 038340

J. Leonard Moser P.E.

2/25/00

Date

Owner's name (print):

I hereby state that I am the owner of the premises referenced on this cyclical report. If applicable, I hereby state that I have received a copy of the attached report and that I am aware of the required repairs and/or maintenance. If any, and that I recommend they be made.

YES

254 PARK AVENUE ASSOCIATES

Owner's name

Date

SEE INSTRUCTIONS ON REVERSE SIDE

Certified copies of original Dept. of Buildings Microfilm D.R. #

I. LEONARD MESSER, P.E.
CONSULTING ENGINEER
P.O. Box 030500, ELMONT, NY 11003-0500
Tel: (718) 591-3113
Fax. (718) 591-4548

CRITICAL EXAMINATION OF EXTERIOR WALLS AND EXTERIOR APPURTENANCES PURSUANT TO LOCAL LAW #10 OF 1980 AS AMENDED BY LOCAL LAW #11 OF 1998 & SECTION C26-105.3(A) OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK

1. *Address of Critical Examination:* 254 Park Avenue South, Manhattan
2. *Location:* northwest corner of Park Avenue South and East 20th Street
3. *Block Number:* 849
4. *Lot Number:* 36
5. *Name of Owner:* 254 Park Avenue South Assoc. c/o Thurcon Properties
6. *Address of Owner:* 2700 Grand Avenue
7. *Agent or person in charge:* Michelle Fusco, Agent
8. *Number of Stories:* 12 + PH
9. *Height of Building:* 150'±
10. *Plan Dimensions:* 100' x 100'
11. *Certificate of Occupancy No.:* 79086
12. *Usage:* residential
13. *Age:* Built 1912
14. *Exterior Wall Construction:* brick, stone and terra cotta
15. *Exterior Appurtenances:*
    metal double hung windows
    window mounted air conditioners
    stone sills
    terra cotta watertable at 4th floor
    ornamental terra cotta at 11th and 12th floors
16. *History of exterior revisions and repairs:* Previous work has consisted of pointing and waterproofing work and caulking cracks at various locations.

Continued on next page

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Dept. of Buildings
Microfilm

17. *Description of procedures used in making the 'critical examination':*

a) **Visual:** The primary means of examination involved first-hand close visual observation of the exterior building appurtenances. This was accomplished by sighting from the street, the roof and the windows located throughout the building at strategic locations. The latter was especially beneficial since observations from the windows provided a view where the walls can be readily and closely observed at all locations. One scaffold inspection was performed at the street facade.

b) **Telescopic:** High magnification binoculars were used at all sighting locations.

c) **Photographic:** Photographs were taken at various locations using a camera equipped with a high resolution telephoto lens. These photographs were later examined under magnification.

18. *Report of observed unsafe conditions, such as significant deteriorations, movements, etc.:*

None.

19. *The following items were noted as requiring preventative maintenance and are referenced on the attached sketch. They are conditions which should be corrected in order to prevent the formation of unsafe conditions:*

1. Joints in terra cotta are generally deteriorated.
2. The terra cotta at the parapet at the west corner of the north facade should be checked hands-on

20. *Status of exterior maintenance:* Building exterior has been properly maintained except as noted in items 18 & 19.

21. *Comparison with previous examination:* The fourth cycle critical examination, filed by I. Leonard Messer PE on March 18, 1998 found precautionary conditions involving open joints and cracking at terra cotta ornamentation.

22. *Recommendations for repairs and maintenance:* Specific recommendations were noted in items 18 & 19.

Additionally, items such as window glass, window guards and guard rails should be monitored by building personnel, window washers and maintenance people.

23. *Date of start and completion of the critical examination:*

Start: 2/21/00

Completion: 2/21/00

Continued on next page

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The sole purpose of this report is to provide a critical examination of the building exterior as defined by Local Law #10, section C26-105 3(4) of the Administrative Code of the City of New York as amended by LOcal Law #11 of 1998 This report renders an opinion as to the condition of the exterior walls only as of the dates on which the examination was conducted. This report has been prepared for no other purposes.

The Engineer assumes no responsibility for the adequacy of design or construction of the original building, nor for the adequacy of alterations, maintenance or repair work either performed in the past, present or future by contractors or maintenance personnel.

All dimensions of building height, location and size are approximate within the accuracy requirements of this report and are not to be used for other purposes.

A copy of this report is to be submitted to the owner prior to filing with the Department of Buildings.

I. LEONARD MESSER, PE
N.Y.P.E. LICENSE #38540

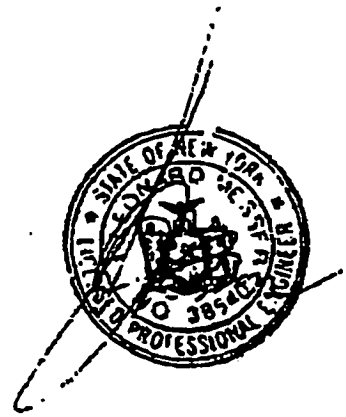

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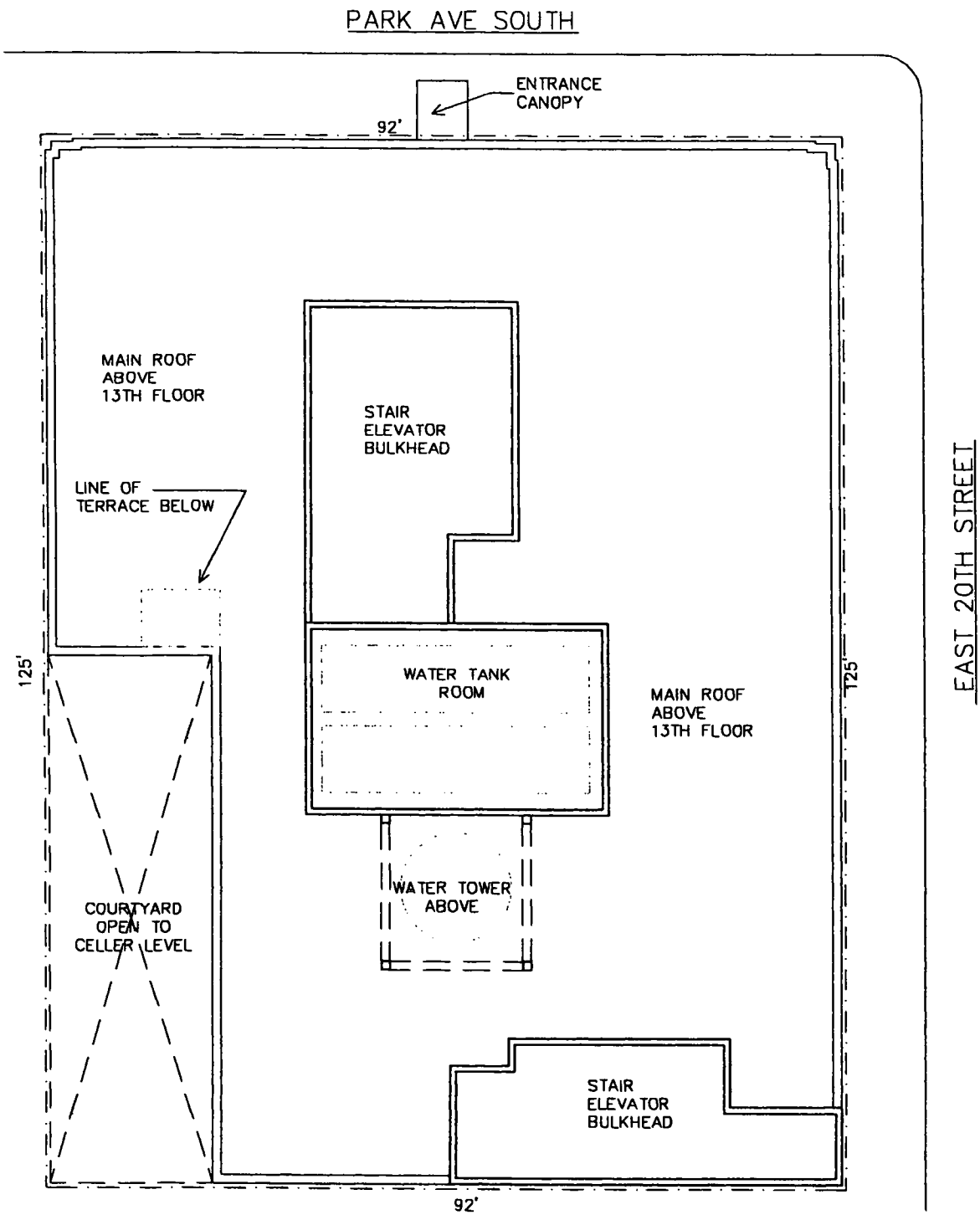
EXHIBIT "7"

FLOOR PLANS

OF

UNITS



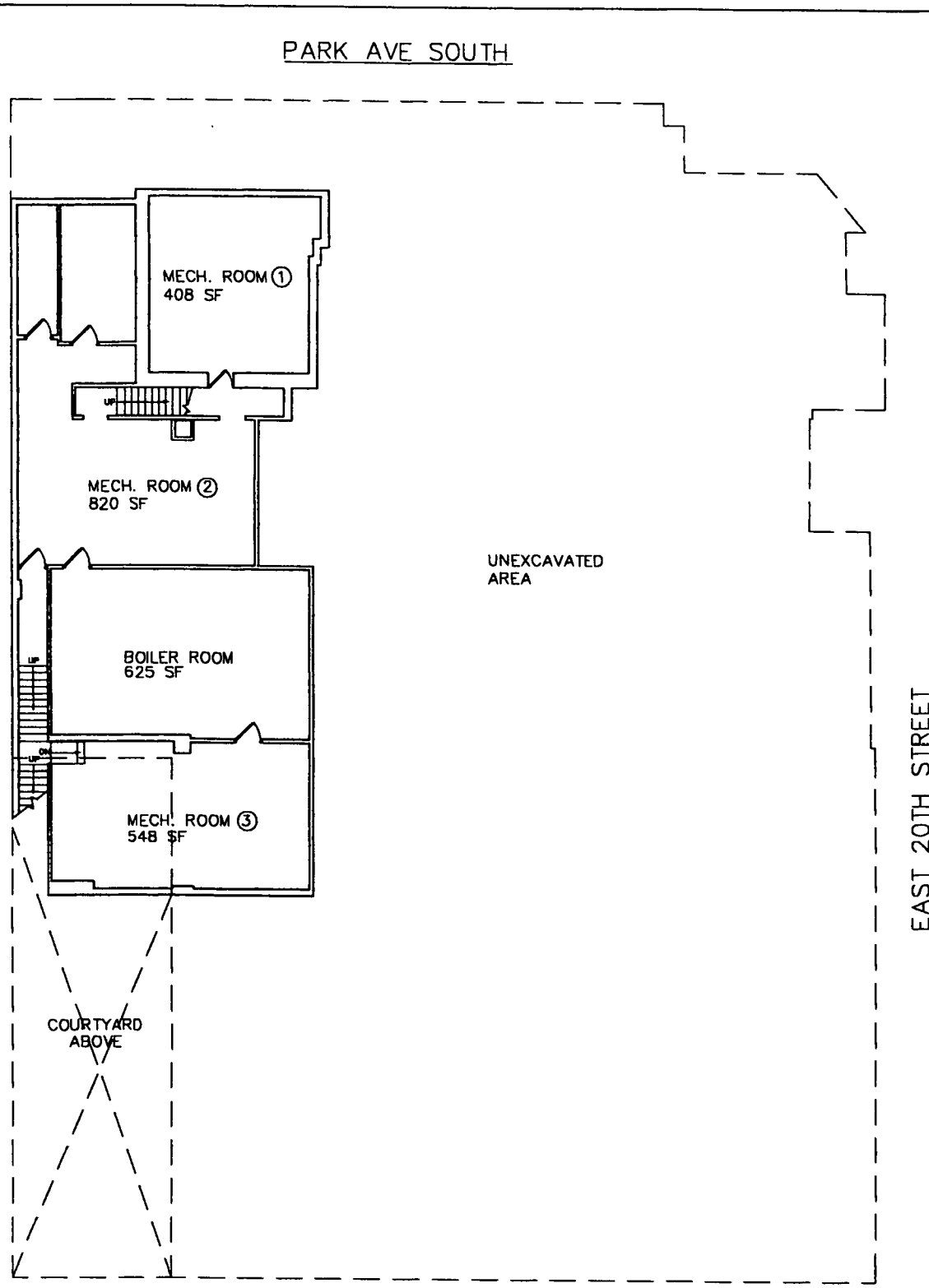
N

SITE / ROOF PLAN

0 4 8 12 24

TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY

NOTE:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.



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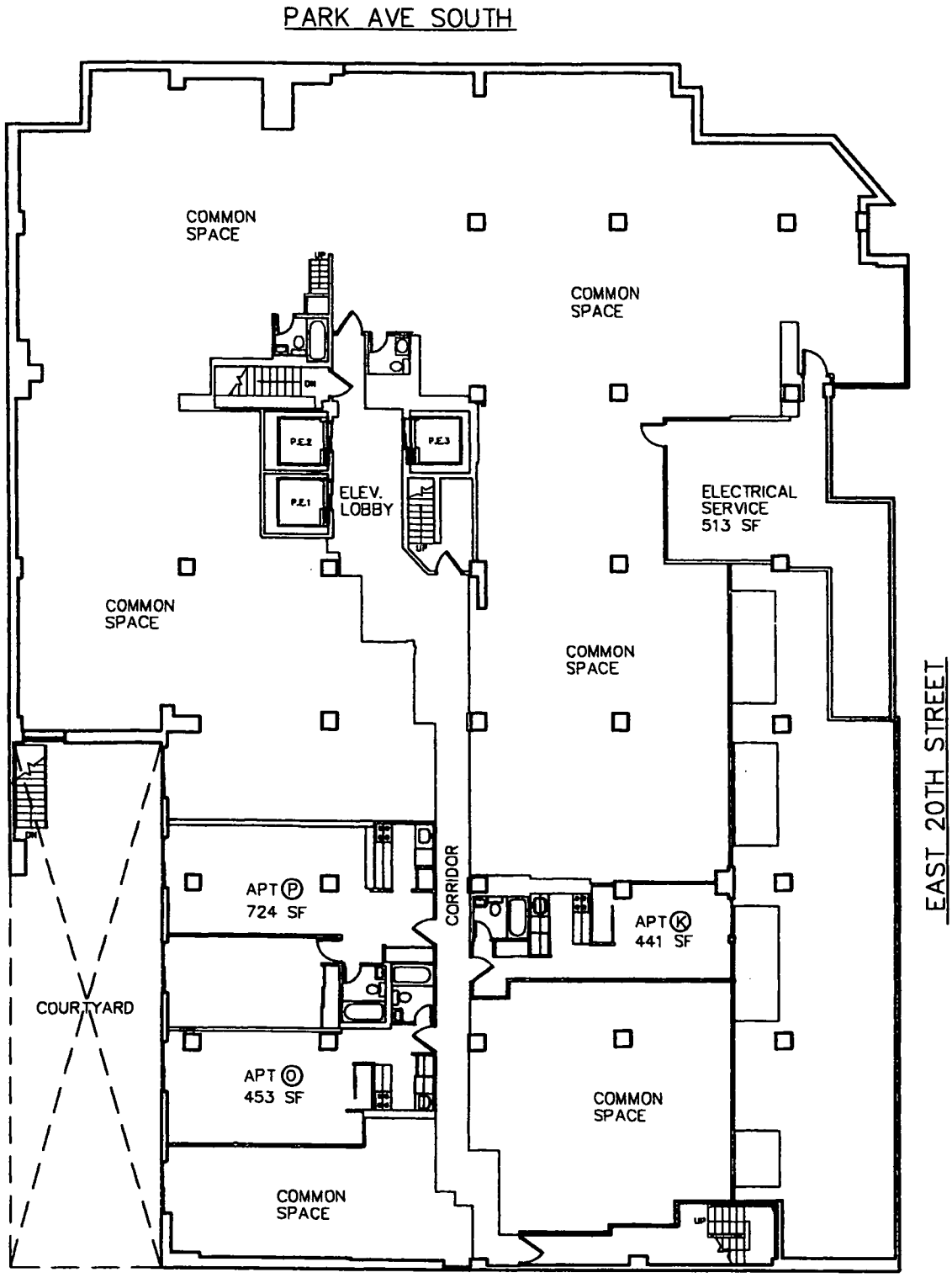
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY

SUB-CELLAR

0 4 8 12 24

NOTE:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

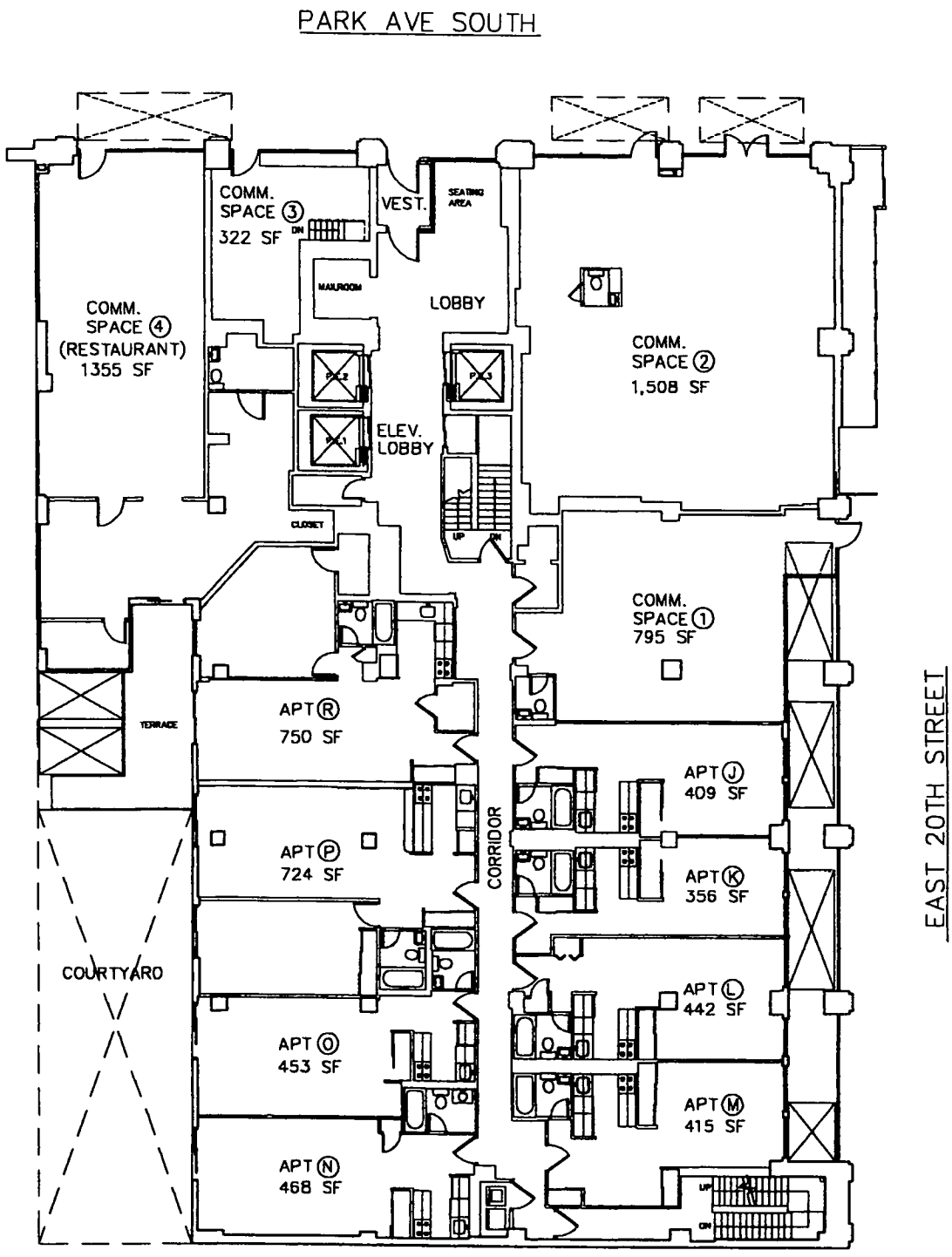


CELLAR

0 4 8 12 24

TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY

NOTE:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.



N

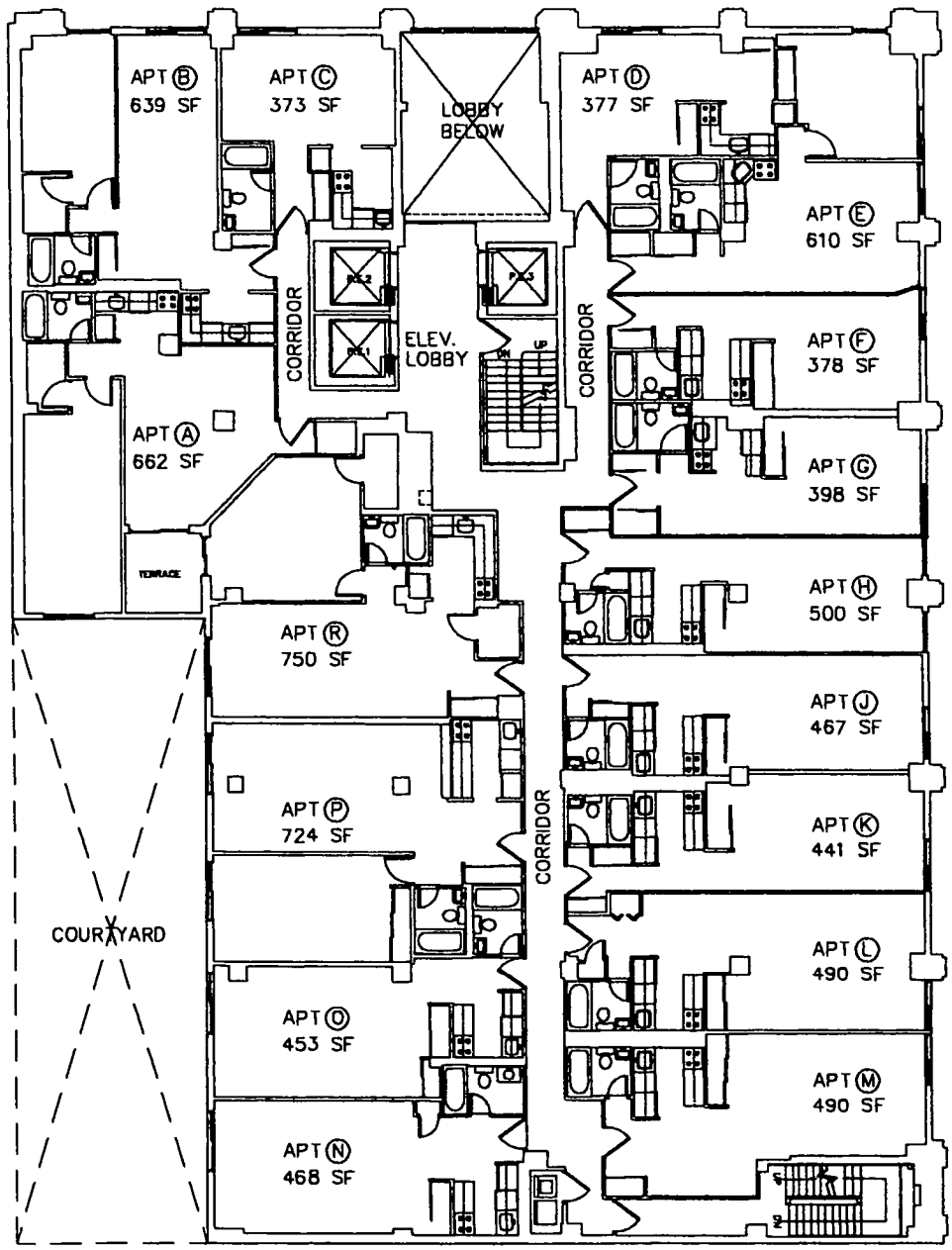
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY

FIRST FLOOR

0 4 8 12 24

NOTE:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

PARK AVE SOUTH



EAST 20TH STREET

N

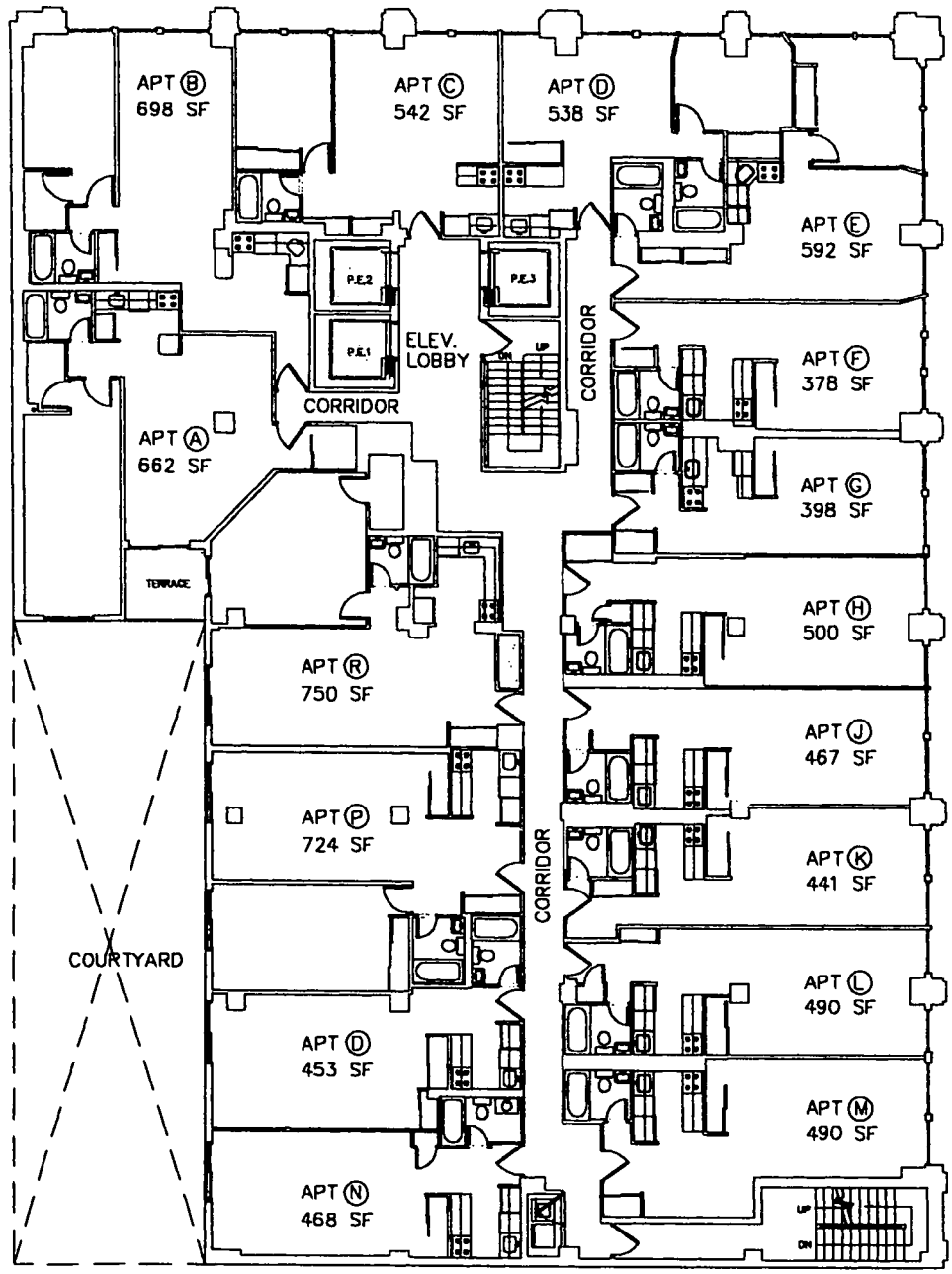
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY

2ND FLOOR

0 4 8 12 24

NOTE:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

PARK AVE SOUTH



EAST 20TH STREET

N

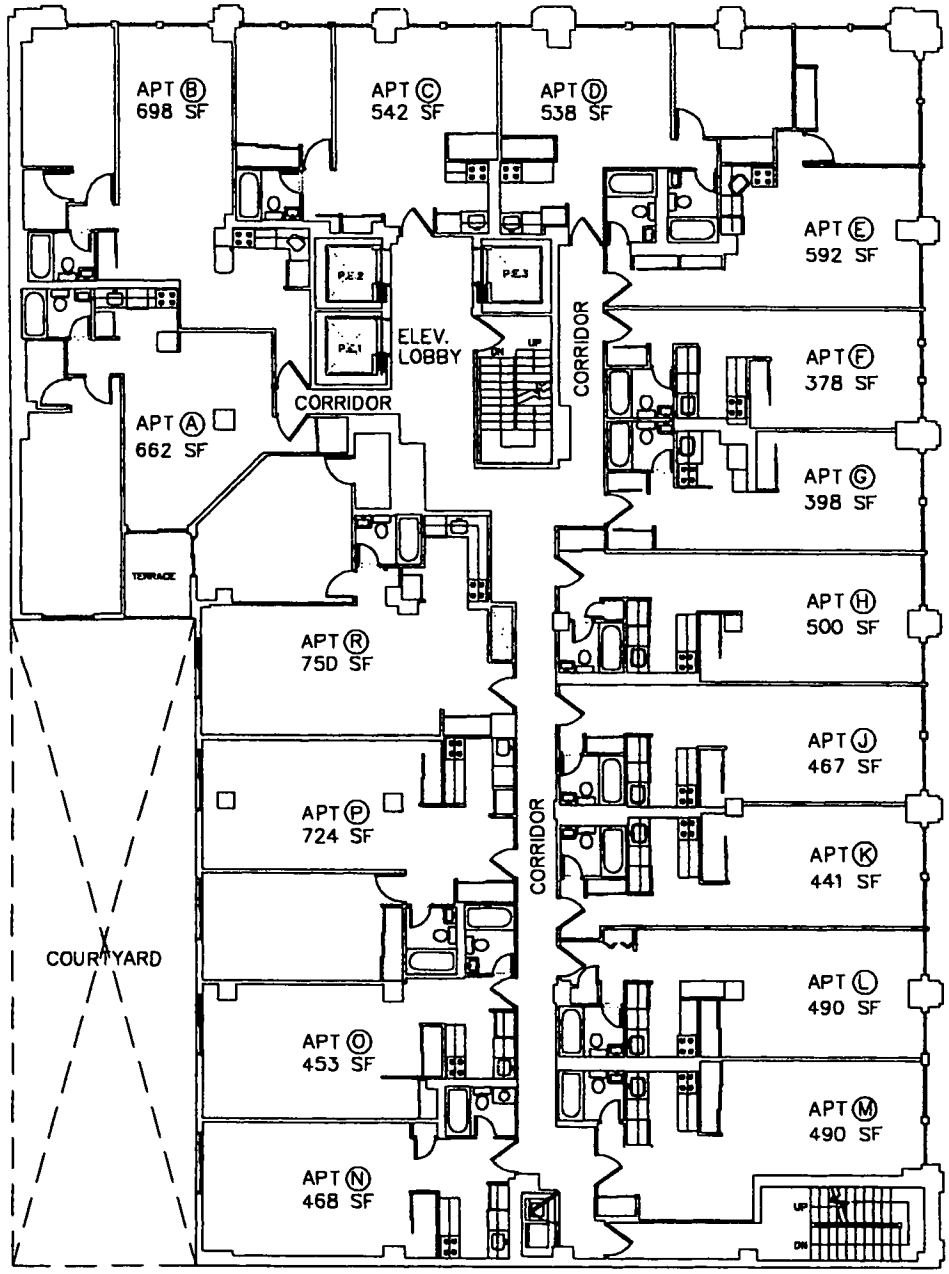
TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY

3RD & 4TH FLOOR

0 4 8 12 24

NOTE:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

PARK AVE SOUTH



EAST 20TH STREET

N

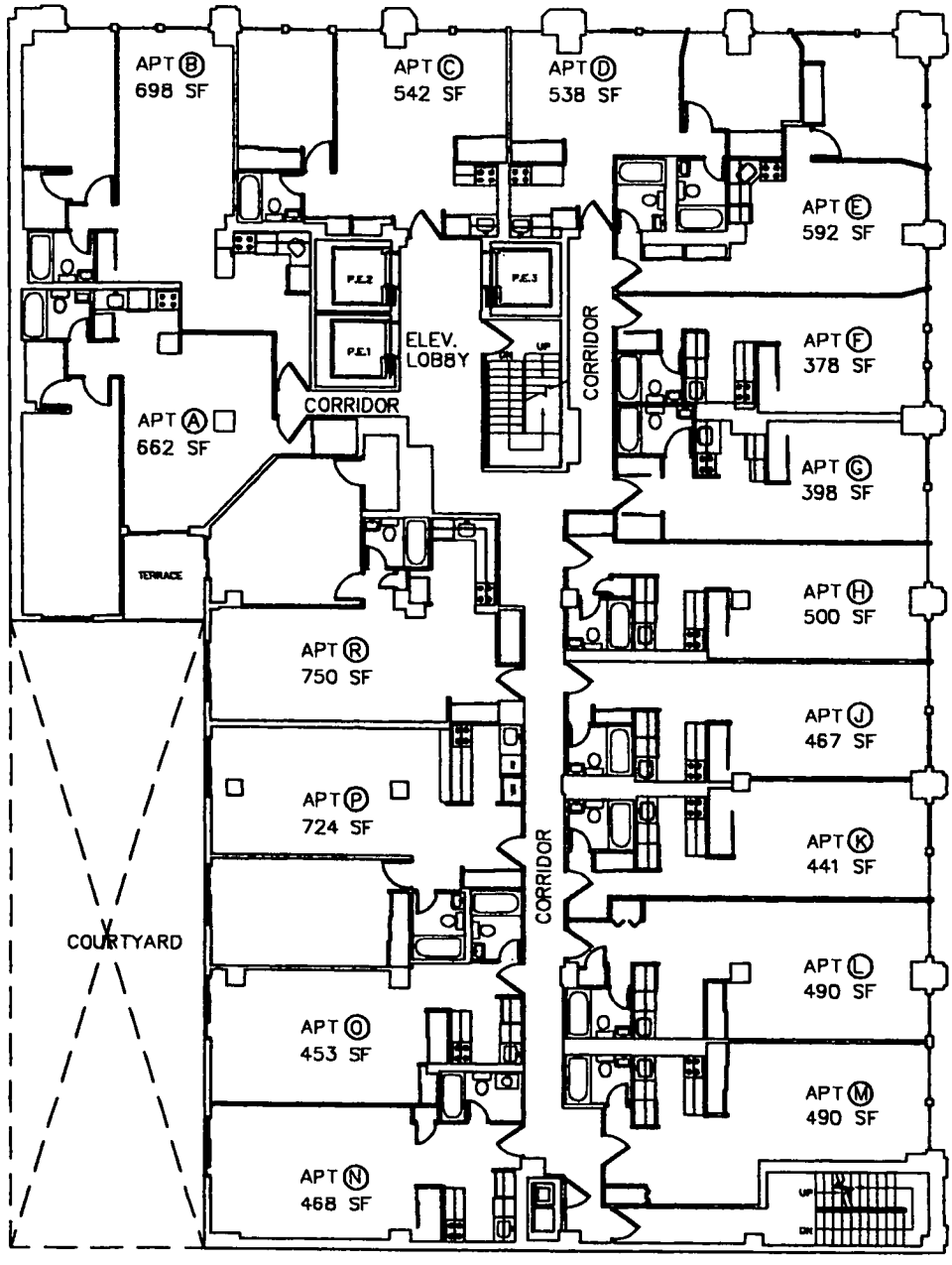
TYPICAL FLOOR (5TH THRU 12TH)

0 4 8 12 24

TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY

NOTE:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

PARK AVE SOUTH



PENTHOUSE FLOOR

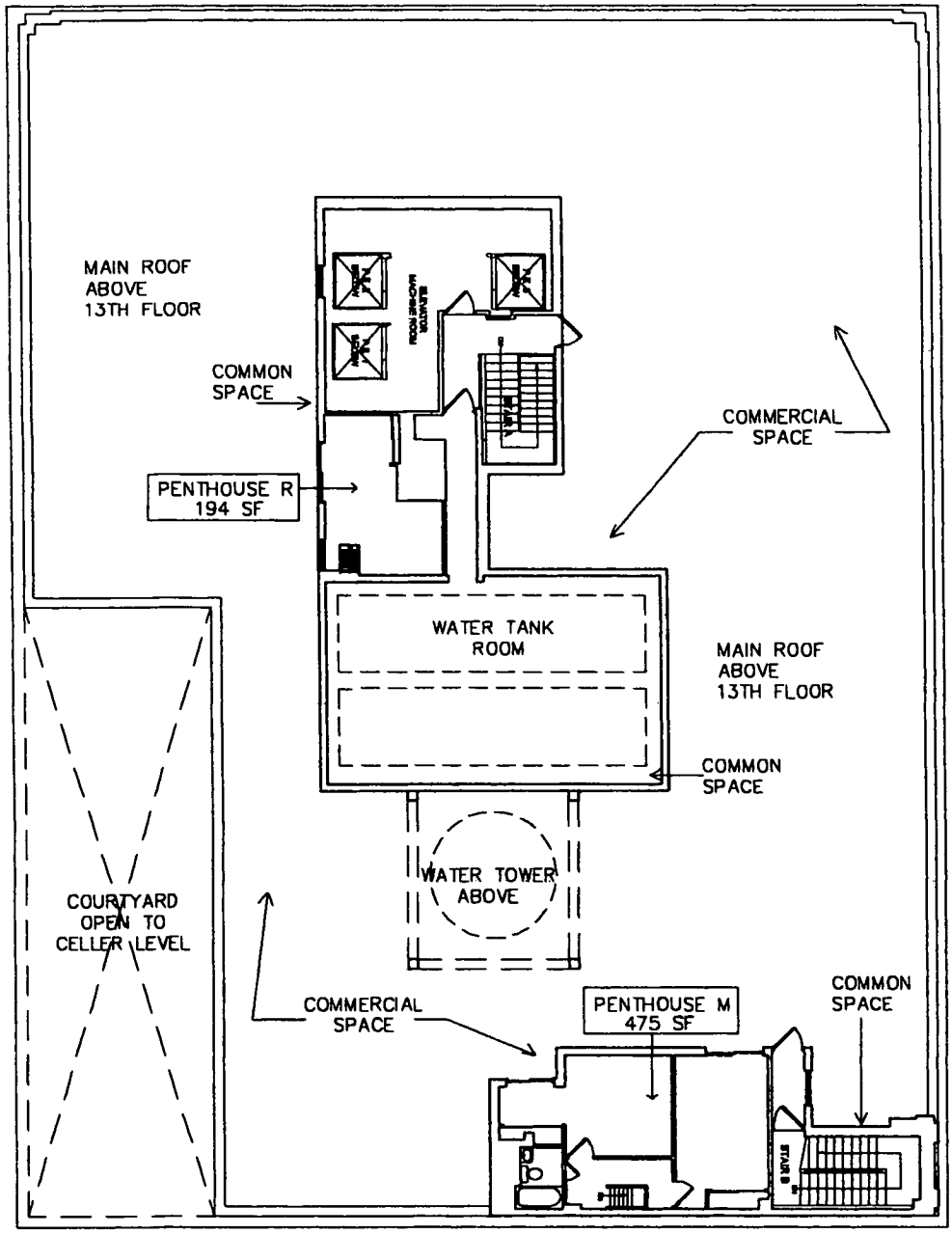
N

TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY

0 4 8 12 24

NOTE:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

PARK AVE SOUTH



EAST 20TH STREET

N

ROOF / PENTHOUSE DUPLEX PLAN

0 4 8 12 24

TWO FIFTY FOUR
254 PARK AVENUE SOUTH
NEW YORK, NY

NOTE:
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EXHIBIT "8"

CONDOMINIUM DECLARATION

DECLARATION
Establishing a Plan for Condominium Ownership
of the Premises known as
254 Park Avenue South
New York, New York 10010

Pursuant to Article 9-B of the Real Property
Law of the State of New York
Name
254 Park Avenue South Condominium

Declarant:

254 PAS Property LLC

Date of Declaration:

_____ ___, 200__

The land affected by the within instrument lies in
Block ___ formerly known as Base Lot
now known as Lots ____ - ____
on the Tax Map of the Borough of Manhattan, City of New York

Attorneys for Declarant
LeBoeuf, Lamb, Greene & MacRae LLP
125 West 55th Street
New York, New York 10019
212-424-8245
Attn: Stuart M. Saft, Esq.

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Exhibits

A. Description of the Land
B. Description of the Units
C. Definitions
D. By-Laws
E. Residential Unit Power of Attorney

DECLARATION
OF
254 PARK AVENUE SOUTH CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law
of the State of New York)

254 PAS Property LLC, a Delaware limited liability company, having an office at 126 East 56th Street, 24th Floor, New York, New York 10010 ("Declarant"), does hereby declare as follows:

ARTICLE 1
DEFINITIONS

All capitalized terms used in this Declaration (hereinafter referred to as the "Declaration") that are not otherwise defined in the Articles hereof will have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used will otherwise require.

ARTICLE 2
SUBMISSION OF THE PROPERTY

2.1 Declarant hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and pursuant thereto does hereby establish a condominium to be known as "254 Park Avenue South Condominium" (the "Condominium').

2.2 Attached to this Declaration and made a part hereof are the By-Laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said By-Laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall have the meanings given to those terms in the By-Laws.

ARTICLE 3
THE LAND

Included in the Property described in Article 2 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the City, County and State of New York, and more particularly described in Exhibit A annexed hereto and made a part hereof. The Land is owned by Declarant in fee simple absolute. The Land has an area of approximately 11,500 square feet.

ARTICLE 4
THE PROPERTY

Included in the Property described in Article 2 is a thirteen story building (the "Building") consisting of 203 residential units (collectively, the "Residential Units" and individually, a "Residential Unit"), a Retail Unit and the Roof Unit, (collectively the "Commercial Unit"). The Commercial Unit and the Residential Units are sometimes hereinafter collectively referred to as the "Units" and individually as a "Unit". The Residential Units, together with the Residential Common Elements and the Residential Limited Common Elements are collectively referred to as the "Residential Section". The Commercial Unit together with the Commercial Common Elements and the Commercial Limited Common Elements (as hereinafter defined) are collectively referred to as the "Commercial Section". The owner of a Residential Unit is herein called a "Residential Unit Owner" and all the owners of the Residential Units are herein collectively called the "Residential Unit Owners". The owners of the Commercial Unit at any time, or their designees, are herein called the "Commercial Unit Owners" and to the extent the Commercial Unit is divided each of the owners of the Commercial Unit shall collectively be called the "Commercial Unit Owners". The Residential Unit Owners and the Commercial Unit Owners are collectively referred to herein as the "Unit Owners" and individually as a "Unit Owner". The Commercial Unit may contain any lawful uses subject to the limitations set forth in the By-Laws.

ARTICLE 5
THE BUILDING

The Building consists of one class 1 fireproof structure containing 203 Residential Units and the Commercial Unit (referred to as the "Building"). The Building is constructed of Concrete, Masonry, and Steel. The exterior walls are constructed of Masonry and Terra Cotta. The Building is 13 stories. The floors in the Building are named (from bottom to top): Subcellar, Cellar, First Floor, Floors 2 through 12 and the Penthouse. There is no 13th floor. The Building has entrances on Park Avenue South. The Commercial Unit occupies portions of the First Floor and Cellar ("Retail Unit ") and the roof (the "Roof Unit").

ARTICLE 6
THE UNITS

6.1 Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; floor designation; tax lot number; direction(s) in which each Unit faces; approximate square foot area; number of rooms; and the percentage interest in the General Common Elements appurtenant to such Unit. The location of each Unit is shown on the floor plans of the Buildings (the "Floor Plans") certified by Matt S. Markowitz Architect, P.C., Architect, and intended to be approved by the Real Property Assessment Department of the City of New York and filed in the New York County office of the Register of the City of New York (the "City Register's Office") following the recording of this Declaration.

6.2 Each Residential Unit includes, and each Residential Unit Owner shall be responsible for, the front entrance door and any other doors to such Unit, smoke detectors, for

cleaning purposes, all windows to such Unit, all plumbing, gas and heating fixtures and equipment such as refrigerators, dishwashers, heating, ventilating and air conditioning ("HVAC") units (including the fans inside the units), heating equipment, ranges and other appliances, as may be affixed, attached or appurtenant to such Unit and serving such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures and appliances within the Unit, and (ii) any special equipment, fixtures or Facilities (as hereinafter defined) affixed, attached or appurtenant to the Unit, to the extent located within a Unit from the panel and serving or benefiting only that Unit. Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity and mechanical and electrical systems of such Unit or of the Building.

6.3 The Residential Units will include all related Facilities exclusively serving the Residential Units. The Commercial Unit will include all related Facilities exclusively serving the Commercial Unit including outdoor signage panels for the Commercial Unit.

6.4 As of the date of the filing of this Declaration with the City Register's Office, fee simple absolute title shall automatically vest in Declarant in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

6.5 Each of the Units is subject to the encroachments and easements described in this Declaration to the extent and on the terms and conditions provided for herein.

ARTICLE 7
DIMENSIONS OF UNITS

7.1 The approximate indoor floor area of each Unit has been measured from the exterior side of the glass or the exterior Building walls, exterior side of the precast panels or the exterior side of metal panels at the exterior of the Building, or from the midpoint of the interior walls and partitions separating the Unit from another Unit, public corridor, stairs, elevators, other mechanical equipment spaces or any other Common Elements. Columns and mechanical pipes, with the exception of the boiler flue shaft and adjacent express riser shaft, (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. Outdoor floor areas of a balcony and/or terrace appurtenant to a Unit are not included in the Unit's floor areas.

7.2 Measured vertically, each Unit consists of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab above.

7.3 The Roof Unit includes the Building's unused Development Rights.

ARTICLE 8
COMMON ELEMENTS

8.1.1 The Common Elements of the Condominium (the "Common Elements") consist of the entire Property, including the Land and all parts of the Buildings 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 Buildings and all Facilities (defined below) 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. The Limited Common Elements of the Condominium (the "Limited Common Elements") consist of those Common Elements that serve or benefit exclusively (a) the Residential Units or the Residential Unit Owners (in which event they are called "Residential Common Elements"), (b) one or more but not all of the Residential Units or the Residential Unit Owners (in which event they are called "Residential Limited Common Elements"), (c) the Commercial Unit or the Commercial Unit Owners (in which event they are called "Commercial Common Elements"), or (d) one or more but not all of the Commercial Unit or the Commercial Unit Owners (in which event they are called "Commercial Limited Common Elements"). The General Common Elements are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the General Common Elements. The General Common Elements are for the common use of all Unit Owners.

8.1.2 As used in this Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, convertor, radiator, heater, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mail box, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

8.2 The Common Elements will remain undivided and no Unit Owner or other person will bring or will have the right to bring any action for partition or division thereof except as may be specifically provided for herein and in the By-Laws.

8.3 The General Common Elements consist of the following:

8.3.1 The Land (as more particularly described in Exhibit A attached to this Declaration), together with all easements, rights and privileges appurtenant thereto.

8.3.2 All of the following: all foundations, footings, columns, girders, floor slabs and ceilings, beams, and supports and interior load bearing walls, (except to the extent included in Sections 8.4 or 8.5), together with the exterior walls of the glass or concealed block work or concealed structural members of those walls.

8.3.3 The rooms and Facilities located as follows: meter room, electric switchboard room, elevator mechanical rooms, shop, superintendent's office, laundry area, steam room, meter rooms, toilette, staff lockers and janitor's sink, and mechanical room and related Facilities located on the roof.

8.3.4 Fire pump room, gas meter room, water meter room including their respective concrete floor slabs and ceilings.

8.3.5 Fire pump, ejector pump, manual and automatic fire pump system, manual fire pump controller.

8.3.6 Water service and house pumps located below grade level, combined house sewer line, sanitary house drain which connects the combined house sewer line to sanitary house drains, storm house drain which connection combines the house sewer line to storm leaders, house trap and vent pipe which serve the sanitary system and running trap which serves the storm drain system.

8.3.7 Fire standpipe Siamese connections.

8.3.8 Riser control valve for common 6" fire standpipe riser.

8.3.9 Lighting equipment which illuminates the exterior portions of all entrances to the Building.

8.3.10 Zone control valves for the fire standpipe riser rising from the ground floor to the house tank on the top roof of the Building (the "Main Roof") that is used for the Building's mechanical equipment, and common fire alarm riser.

8.3.11 House tank located on the Main Roof which supplies the domestic water system and fire standpipe in the Building.

8.3.12 Exhaust systems including the exhaust fan, ductwork and intake and discharge connections.

8.3.13 Portions of the riser main originating in the boiler room and distribution piping at below grade level and through first floor.

8.3.14 Ventilation supply system consisting of motors, ductwork, fans and controls serving the below grade level and steam and condensate return piping.

8.3.15 Mechanical equipment rooms including their respective concrete floor slabs and ceilings and any staircases, landings and stairs therein.

8.3.16 Unit heaters serving the mechanical spaces and direct radiation system installed in arcade ceiling for heating perimeter (i.e., outdoor) spaces.

8.3.17 All passages and corridors, mechanical and other rooms and areas located at the Property serving or benefiting both the Commercial Section and the Residential Section.

8.3.18 Any other Facilities in the Building which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of all of the Commercial Section and the Residential Section and are not a part of any Unit, Residential Common Elements, Commercial Common Elements or any Limited Common Element.

8.4 The Residential Common Elements consist of the following:

8.4.1 Residential electric meters and panels, electric closets, feeders, risers and Facilities, Residential gas meter and direct burial telephone cables serving exclusively the Residential Section.

8.4.2 Kitchen, bathroom and dryer exhaust ducts, corridor and Residential Unit supply air ducts, steam lines supply and return for heating, water pressure reducing valve system, and all other Facilities in the floor and ceilings serving or benefiting exclusively the Residential Section.

8.4.3 CATV riser and all other Facilities located in the Property serving or benefiting exclusively the Residential Section.

8.4.4 The rooms and Facilities located as follows: the entrances to the Residential Units; gas meter room, storage rooms, Resident Manager's office, the passenger elevators, its shaft, pit, machine room and Facilities the mechanical equipment rooms and areas and the elevator machine rooms located on the roof; the roof, subject to the right of the owner of the Roof Unit to further develop the roof; the residential lobby, concierge station, toilette, storage and sitting area, bicycle/stroller room and elevator lobby, and the Resident Manager's Unit after it is purchased.

8.4.5 All passages, hallways, stairs and corridors, all mechanical space and all other rooms, areas, spaces and other parts of the Building which are not Residential Units, Residential Limited Common Elements or part of the Commercial Unit, Commercial Common Elements, Commercial Limited Common Elements, or General Common Elements, including their concrete floor slabs and ceilings.

8.4.6 Fire staircases and their landings and stairs from the landing from the First Floor to the roof.

8.4.7 The Laundry Room.

8.4.8 The roof top elevator bulkheads and the roof over the elevator machine rooms.

8.4.9 Window glass in the Residential Section which is not part of a Residential Unit.

8.4.10 HVAC units in the Residential Unit consisting of a fan, motor, ductwork, piping and controls.

8.4.11 Corridor supply risers and ducts, kitchen and toilet exhaust risers and ducts, kitchen and toilet water vent and soil stacks, gas risers, electric risers, and shafts serving Residential Units.

8.4.12 Gas piping for domestic hot water heater serving Residential Limited Common Elements and Residential Units.

8.4.13 All passages and corridors, mechanical and other rooms, areas and indoor and outdoor spaces located at the Property serving exclusively the Residential Section and which are not General Common Elements, Commercial Limited Common Elements or part of any Unit.

8.4.14 All doors in the Residential Section, excluding doors opening from common corridors and providing entrance to Residential Units, interior doors in the Residential Units, and doors in a Residential Unit (the excluded doors being considered part of the Residential Unit).

8.4.15 All other Facilities of the Property (including but not limited to shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Section.

8.4.16 All other Facilities exclusively serving the Residential Section, excluding the Residential Units, the Residential Limited Common Elements, the Commercial Common Elements, the Commercial Limited Common Elements and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Section.

8.4.17 Notwithstanding anything to the contrary in this Article 8, if a Residential Common Element benefits only certain Residential Unit Owners, then the Residential Section's costs of alteration, addition, repair, replacement and restoration thereto shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element in the proportion that the Common Interest of each benefiting Residential Unit Owner bears to the Common Interests of all benefiting Residential Unit Owners. In addition, except as otherwise provided in Subsection 6.9.2.1 of the By-Laws, such Residential Unit Owners shall be responsible for the normal operation, maintenance and repair of any such Residential Common Element at their sole cost and expense.

8.5 The Residential Limited Common Elements consist of the following:

8.5.1 Certain portions of the Residential Common Elements are limited and further restricted in use to the owners of Residential Units to which such Residential Limited Common Elements are appurtenant, subject to the right of the Board of Managers to enter upon any such Residential Limited Common Element to make structural repairs or structural replacements to said Residential Limited Common Element or any Common Element contained therein, and subject to the Rules and Regulations of the Condominium.

8.5.2 Any portion of the Residential Limited Common Elements which is not restricted in use may be used by any Residential Unit Owner.

8.5.3 The Residential Limited Common Elements include, without limitation, the terrace or balcony appurtenant to a specified Residential Unit, including any planter installed thereon and fences and rails, if any, enclosing said terrace or balcony. Any portion of the Residential Limited Common Elements which is not restricted in use may be used by any Residential Unit Owner.

8.5.4 All normal and ordinary maintenance, repair and replacement of Residential Limited Common Elements (i.e., cleaning surface areas, patching chipped concrete or pavers, repairing and/or replacing fencing or railing enclosures, etc.) shall be tended to and paid for by the Residential Unit Owner having the exclusive use thereof. Washing exteriors of windows will be borne by the Residential Unit Owners as a Residential Common Expense. The cost of repairing and/or replacing a divider separating two or more terrace areas shall be shared equally by the Unit Owners whose terraces are affected unless the need for repair or replacement was occasioned by the negligence of one of the Unit Owners or his or her guest(s) or agent(s), in which case the cost shall be borne exclusively by said Unit Owner. Structural or extraordinary repairs of the Residential Limited Common Elements, including such items as complete replacement of concrete in rear yards, and retarring and resurfacing the roof under terraces, will be borne by the Residential Unit Owners as a Residential Common Expense.

8.5.5 Residential Unit Owners shall be responsible for washing the interior side of any and all windows in their Unit, and replacing broken window glass in their Unit unless the glass was broken through the negligence of the Condominium Board or its agents, in which case the cost or replacement shall be borne by the Residential Unit Owners as a Residential Common Expense. Any Residential Unit Owner having access to a terrace or balcony shall keep it free from ice, snow and water.

8.5.6 That portion of equipment, fixtures or Facilities serving or benefiting one Residential Unit, to the extent located within another Unit or within a Common Element to which there is direct and exclusive access from the interior of a Residential Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Residential Unit Owner who is so served or benefited by such Residential Limited Common Element shall have the exclusive right to use such Residential Limited Common Element and shall be responsible for its normal operation, maintenance and repair at such Unit Owner's sole cost and expense.

8.5.7 All other Facilities exclusively serving one or more but not all Residential Units, excluding the Residential Units, the Residential Common Elements, the

Commercial Common Elements, the Commercial Limited Common Elements and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of one or more but not all of the Residential Units.

8.6 The Commercial Common Elements consist of the following:

8.6.1 Commercial electric meter, separate cold water meter, gas meter and other utility meters (if any) serving or available and sprinkler system for the exclusive use of the Commercial Section.

8.6.2 Ductwork, and all other HVAC and electric and similar Facilities serving or benefiting exclusively the Commercial Section.

8.6.3 Lower Level Elevator Machine Rooms; Electric Closet and Electrical Meter Room and Elevator Machine Room on the Garage for the two story elevator serving the first and second floors.

8.6.4 Separate entrances on Park Avenue South and East 20th Street.

8.6.5 All remaining Facilities exclusively serving the Commercial Unit, excluding the Commercial Unit, the Commercial Limited Common Elements, the Residential Common Elements, the Residential Limited Common Elements and the General Common Elements, which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Commercial Unit.

8.6.6 Notwithstanding anything to the contrary in this Article 8, if a Commercial Common Element or a General Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Limited Common Element at their sole cost and expense.

8.7 The Commercial Limited Common Elements consist of the following:

8.7.1 All exterior glass surfaces of all windows in the Commercial Unit.

8.7.2 That portion of equipment, fixtures or Facilities serving or benefiting one Commercial Unit, to the extent located within another Unit or within a Common Element to which there is direct and exclusive access from the interior of a Commercial Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Commercial Unit Owner who is so served or benefited by such Commercial Limited Common Element shall have the exclusive right to use such Commercial Limited Common Element and

shall be responsible for its normal operation, maintenance and repair at such Unit Owner's sole cost and expense.

8.7.3 All remaining Facilities exclusively serving the one or more but not all Commercial Unit, excluding the Commercial Units, the Commercial Common Elements, the Residential Common Elements, the Residential Limited Common Elements and the General Common Elements, which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of one or more but not all Commercial Unit.

8.7.4 Notwithstanding anything to the contrary in this Article 8 or the By-Laws, if a Commercial Limited Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Limited Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Common Element at their sole cost and expense.

ARTICLE 9
USE OF BUILDING AND UNITS

9.1 As more particularly set forth in the By-Laws a Residential Unit may be used for any lawful purposes, subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for such Residential Unit, (2) applicable governmental laws and regulations, (3) the use of such Residential Unit not adversely affecting the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, and (4) the restrictions as described in Section 6.14 of the By-Laws. Residential Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

9.2 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Declarant may without the permission of the Residential Board, (1) grant permission for the use of any Unsold Residential Unit (as defined in Exhibit C) owned by it as a professional office or for any other purpose, provided such use is permitted by law, and does not violate the then existing certificate of occupancy for such Residential Unit or any other governmental regulations and (2) use any Unsold Residential Units owned by it as models and sales and/or promotion offices in connection with the sale or rental of the Units, subject only to compliance with applicable governmental laws and regulations.

9.3 The Commercial Unit can only be used as defined in the New York City Zoning Resolution.

ARTICLE 10
CHANGES IN THE RESIDENTIAL SECTION

Except to the extent prohibited by law, Declarant or its designee shall have the right, without the vote or consent of any Board, other Unit Owners or the Residential or Commercial Mortgage Representatives, if any, to: (a) make alterations, additions or improvements to any Unsold Residential Units; (b) change the use (subject to Section 9.2 above) or 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 Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, converting a Residential Unit or any portion thereof to a Residential Common Element, a Residential Limited Common Element, altering the boundary walls between any Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unit; (d) designate a Residential Common Element as part of a newly created Residential Unit, Residential Limited Common Element, or designate all or part of a Residential Unit as a Residential Common Element or Residential Limited Common Element; and (e) if appropriate, reapportion among the Unsold Residential Units affected by such change in size, use or number pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements; provided, however, that (i) the percentage interest in the Common Elements of any other Residential Units (other than Unsold Residential Units) shall not be changed by reason thereof unless the owners of such Residential Units shall consent thereto; (ii) Declarant or its designee, as the case may be, shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Board and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Article 10 may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee. By written permission of the Residential Board, which permission, shall not be unreasonably withheld, any other Residential Unit Owner may be given, with respect to his or her Residential Unit, the same rights and be subject to the same limitations and conditions as are set forth in this Article 10 with respect to Unsold Residential Units. Notwithstanding the other provisions of this Article 10, no reapportionment of the interests in the Common Elements appurtenant to any Residential Unit shall be made unless there is first delivered to the Residential Board a written certification stating that the percentage interests of the respective Units in the Common Elements, immediately after such reapportionment, will be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The certification referred to in the preceding sentence shall be delivered (i) at Declarant's election, by Declarant, the managing agent of the Residential Section or of the Condominium or any other person reasonably acceptable to the Residential Board in the case of any Unsold Residential Unit, and (ii) by either the managing agent of the Residential Section or of the Condominium, or any other person reasonably acceptable to the Residential Board in the case of any other Residential Unit.

ARTICLE 11
CHANGES IN THE COMMERCIAL SECTION

Except to the extent inconsistent with Article 15 or the By-Laws or prohibited by law, each Commercial Unit Owner shall have the right, subject to the approval of the Commercial Board, which shall not be unreasonably withheld, but without the vote or consent of the Residential or Condominium Boards, other Unit Owners or the Commercial or Residential Mortgage Representatives, if any, to: (1) decorate or make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Commercial Limited Common Elements; (2) change the layout or number of rooms in the Commercial Unit from time to time; (3) change the Commercial Unit, by subdividing the same, into any desired number of Commercial condominium units, combining any of the Commercial Units or combining any units resulting from a subdivision, altering the boundary walls between the Commercial Units, or otherwise; (4) designate a Commercial Limited Common Element as part of a newly created Commercial condominium unit or designate all or part of a Commercial Unit as a newly created Residential Unit, Residential Common Element, Commercial Common Element or Commercial Limited Common Element; (5) reapportion among the newly created Commercial Units and/or Residential Units resulting from any subdivision, combination or otherwise their percentage interests in the Common Elements which 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, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit, and provided that in no case may such reapportionment result in a greater percentage of Common Interest for the total of the new Commercial Units and/or Residential Units than existed for the original Commercial Units; and (6) change, alter or modify the facade and exterior portion of the Commercial Units; provided, however, that the percentage interest in the Common Elements of any portion of the Commercial Units owned by another Commercial Unit Owner or of any Residential Unit shall not be changed by reason thereof unless the owner of such Unit shall consent thereto, and the Commercial Unit Owners shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Board and all other Unit Owners harmless from any liability arising therefrom.

ARTICLE 12
PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated to receive service of process in any action which may be brought against the Condominium, the Residential Section or the Commercial Section.

ARTICLE 13
DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

13.1 Determination of Percentage of Interest in Common Elements. The percentage of interest in the Common Elements applicable to each Unit, as shown on Schedule B, was determined pursuant to Section 339-i(i)(iv) of the Condominium Act, and is based upon floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for

exclusive or shared use and the overall dimensions of a particular Unit. The aggregate Common Interest for all Units is 100%.

13.2 The percentage interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Residential Unit bears to the Common Interests of all Residential Units.

ARTICLE 14
ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachments shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board, Residential Board or Commercial Board, as the case may be, or made by Declarant or its designee, a Commercial Unit Owner in accordance with this Declaration or the By-Laws or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements provided such encroachment does not adversely affect the use and occupancy of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

ARTICLE 15
ACCESS TO COMMON ELEMENTS

Except as set forth otherwise in this Declaration or the By-Laws, each Unit Owner, shall have, in common with all the other Unit Owners, an easement for ingress and egress through, as well as for the use and enjoyment of, all the General Common Elements, subject to and in accordance with all the provisions of this Declaration and the By-Laws, and the General Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Unit Owner shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Unit Owners to do so. Such easement shall include the right to maintain, repair, alter, restore and replace such General Common Elements, provided, however, such rights shall be exercised only by the Condominium Board and/or its managing agent on behalf of all Unit Owners as more fully set forth in the By-Laws. In addition, the Condominium Board, the Residential Board, the Commercial Board or their agents, to the extent such Boards are permitted to act by the By-Laws for such purposes, shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property. All easements and rights of access described in this Article 15 shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entries shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or

safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building).

ARTICLE 16
EASEMENTS AND NAME OF CONDOMINIUM

16.1 Except as set forth in this Declaration, each Residential Unit Owner shall have, in common with all other Residential Unit Owners, an easement for the use of the Residential Common Elements. The Commercial Section and the Residential Section shall be subject to such easement.

16.2 Except as set forth in this Declaration, each Commercial Unit Owner shall have, in common with all other Commercial Unit Owners, an easement for the exclusive use of the Commercial Common Elements. The Commercial Section and the Residential Section shall be subject to such easement.

16.3 Each residential Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Residential Section and for the use of any Common Element, to the extent necessitated by an emergency.

16.4 Each Residential Unit Owner shall have, in common with all other Residential Unit Owners, and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Residential Common Elements or Residential Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Residential Units, the Residential Common Elements; or the Residential Limited Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes and provided, further, that the Commercial Unit's easement to penetrate below the floor for pipes, ducts and similar installations is limited to the area which is not shaded on the floor plan for the Commercial Unit as set forth in the Plan. Such entry shall be permitted on not less than one days' notice, except that no notice will be necessary in the case of an emergency.

16.5 Each Commercial Unit Owner shall have, in common with all other Commercial Unit Owners, and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Commercial Common Elements or the Commercial Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of any Commercial Unit, the Commercial Common Elements or the Commercial Limited Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Commercial Unit or Residential Units for their permitted purposes.

Such entry shall be permitted on not less than one days' notice, except that no notice will be necessary in the case of an emergency.

16.6 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.

16.7 Declarant or its designee and the Commercial Unit Owner and their 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 (other than on the exterior walls of the Building surrounding Units not owned by the party erecting the sign) for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit, the sale or lease of all or any portion of the Commercial Unit and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit or of any Unsold Residential Units, as the case may be.

16.8 Declarant or its designee and the Residential Board with respect to the Residential Section, the Commercial Board with respect to the Commercial Section and the Condominium Board with respect to the Property, shall have the right to grant such additional electric, gas, steam, ventilation or other easements for utilities or otherwise or relocate any easements in any portion of the Residential Section, the Commercial Section or the Property, as the case may be, as Declarant or its designee, the Residential Board, the Commercial Board or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or to complete the Building as described in the Plan or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. 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 manner as shall not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes.

16.9 Declarant shall have, and the Units and Common Elements shall be subject to, an easement, (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace (i) satellite dishes and similar equipment on the roof of the Building and the conduit and other Facilities relating thereto, other than those portions of the roof which constitute Residential Common Elements or Residential Limited Common Elements, and (ii) ventilation shafts from the Commercial Unit on the exterior of the Buildings, and (b) to maintain any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided that access to any Unit or Common Element in furtherance of such easement shall be exercised in a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.

16.10 The Condominium and the Building shall be designated and known as "254 Park Avenue South Condominium". Declarant shall own and control all rights and interests, and shall be responsible for all obligations and liabilities, appurtenant to the name of the Condominium and/or the Building. For so long as Declarant owns any Units in the Building, only Declarant shall have the right to change or assign the name of the Condominium and/or the Building, subject to the consent of the Condominium Board.

16.11 Declarant for so long as it shall own any Unsold Residential Unit, the Commercial Unit Owner with respect to the Commercial Unit, and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Declarant, the Commercial Unit Owner or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that the granting of such additional utility easements or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business carried on within the Commercial Unit or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to each Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business carried on within the Commercial Unit or with the use of the Residential Units for their permitted purposes. Notwithstanding any other provision of this Declaration, the By-Laws or the Rules and Regulations, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

16.12 Declarant and its contractors, employees and agents for so long as Declarant shall own any Unsold Residential Unit, shall have an easement for ingress and egress through all of the Common Elements in order to make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Residential Units.

16.13 Each Unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

16.14 The owner of the Roof Unit shall have an easement over the entire Building to enable it to further develop the roof.

ARTICLE 17
POWER OF ATTORNEY TO THE BOARDS

17.1 Each Residential Unit Owner shall grant to the persons who shall from time to time constitute the Residential Board an irrevocable power of attorney, coupled with an interest (in such form and content as the Residential Board shall determine) following due authorization

(if required) from the Residential Unit Owners (a) to acquire or lease any Residential Unit, together with its Appurtenant Interests (as defined hereinafter), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Units so acquired, or to sublease any Residential Unit so leased, without the necessity of further authorization by the Residential Unit Owners, on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Residential Board deems necessary or appropriate and (c) to execute, acknowledge and deliver any declaration or other instrument affecting the entire Residential Section which the Residential Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the entire Residential Section or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the entire Residential Section or the Common Elements which the Residential Board deems necessary or appropriate.

17.2 Each Commercial Unit Owner shall grant to the persons who shall from time to time constitute the Commercial Board an irrevocable power of attorney, coupled with an interest (in such form and content as the Commercial Board shall determine) following due authorization (if required) from the Commercial Unit Owner (a) to acquire or lease any Commercial Unit or portion thereof, together with its Appurtenant Commercial Interests (as hereinafter defined), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Commercial Board or its designee, corporate or otherwise, on behalf of the Commercial Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not to vote the interest appurtenant to) any Commercial Unit or portion thereof so acquired, or to sublease any Commercial Unit or portion thereof so leased, without the necessity of further authorization by the Commercial Unit Owners, on such terms as the attorneys-in-fact may determine, and (b) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Commercial Section which the Commercial Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Commercial Section, (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Commercial Section or the Common Elements which the Commercial Board deems necessary or appropriate, or (iii) any easement permitting access between the Commercial Section and any property adjoining the Land, including the right to penetrate any General Common Elements located between the

Commercial Section and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building.

ARTICLE 18
ACQUISITION OF UNITS BY BOARDS

18.1 If (a) any Residential Unit Owner surrenders his or her Unit, together with (i) the undivided interest in the Residential Common Elements and Residential Limited Common Elements and General Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential 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 Residential Section or the Condominium (such interests in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, (b) the Residential Board, pursuant to Article 8 of the By-Laws, acquires or leases a Residential Unit or Commercial Unit, together with the Appurtenant Interests, or (c) the Residential Board purchases, at a foreclosure or other similar sale, a Residential Unit or a Commercial Unit, together with the Appurtenant Interests, then, in any such event, title to any such Residential Unit or Commercial Unit, together with the Appurtenant Interests, shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Residential Unit leased or subleased by the Residential Board or its designee shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interest in the Common Elements.

18.2 If (a) any Commercial Unit Owner surrenders its Commercial Unit or any portion thereof, together with (i) the undivided interest in the Commercial Limited Common Elements and General Common Elements appurtenant thereto and (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Commercial Board or it designee, corporate or otherwise, on behalf of the Commercial Unit Owner 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 Commercial Section or the Condominium (such interests in (i), (ii), and (iii) being hereinafter collectively called the "Appurtenant Commercial Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act, (b) the Commercial Board, pursuant to this Declaration and/or the By-Laws, acquires or leases all or a portion of any Commercial Unit, together with its Appurtenant Commercial Interest, or (c) the Commercial Board purchases, at a foreclosure or other similar sale, all or a portion of any Commercial Unit, together with its Appurtenant Commercial Interest, then, in any such event, title to all or any such portion of the Commercial Unit, together with its Appurtenant Commercial Interests, shall be held by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering all or any portion of a Unit leased or subleased by the Commercial Board or its designee shall be held by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners in proportion to their respective interests in the Common Elements.

18.3 The Condominium Board shall have the authority to purchase, on behalf of all Unit Owners, a Residential Unit to be used as the residence of the Resident Manager of the Building and, in such event, title to all or any such portion of the Residential Unit, together with its Appurtenant Residential Interests, shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements.

ARTICLE 19
COVENANTS RUNNING WITH THE LAND

19.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article 19, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his or her 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, subtenants, licensees, and other occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into 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 or use and occupancy agreement thereof.

19.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the 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 inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

19.3 Subject to Section 19.2, 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 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 applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 20
AMENDMENTS OF DECLARATION

20.1 All references in this Article 20 to the "Declaration" shall mean and include the Declaration and/or By-Laws (whether or not the By-Laws are expressly indicated). Subject to the provisions contained herein with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Unit or any Commercial Unit Owner (a) any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws; (b) any provision of this Declaration benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be added to, amended, modified or deleted by vote of at least 66-2/3% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Residential Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected and (c) any provision of this Declaration benefiting, protecting or otherwise affecting only the Commercial Unit or the Commercial Unit Owners may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Commercial Unit Owners taken in accordance with the provisions of the By-Laws, provided, however, that the Common Interest appurtenant to the Commercial Unit shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Unit or any Commercial Unit Owner, no amendment, modification, addition or deletion pursuant to the provisions of clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Commercial and Residential Mortgage Representatives (as defined in the By-Laws), if any; no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgage Representatives, if any; and no amendment, modification, addition or deletion pursuant to the provision of clause (c) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Commercial Mortgage Representatives, if any.

20.2 Notwithstanding anything to the contrary contained in Section 20.1 above:

20.2.1. No amendment shall be adopted which would: (i) unreasonably interfere with the sale, lease or other disposition of an Unsold Residential Unit; (iii) abridge, modify, suspend, eliminate or otherwise adversely affect any right, power, easement, privilege or benefit reserved to the Declarant or its designee (as owner of a Unit); or (iii) impose any discriminatory charge or fee against the Declarant or its designee, and no such amendment shall be effective against the Declarant or such designee or their Units, unless the Declarant or such designee shall, in each instance, consent thereto, by joining in the execution of such amendment;

20.2.2. No amendment shall be adopted which would abridge, modify, suspend, eliminate or otherwise adversely affect any right, power, easement, privilege or benefit expressly reserved to the Commercial Unit Owner and no such amendment shall be effective against such Commercial Unit Owner unless the Commercial Unit Owner shall consent thereto by joining in the execution of such amendment;

20.2.3. No amendment shall be adopted which would change the permitted use of any Unit or such Unit's Common Interest and no such amendment shall be effective against such Unit or such Unit Owner, unless the Unit Owner of such affected Unit shall consent thereto by joining in the execution of such amendment.

20.3 The Commercial Unit Owner shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owner, the Boards, or the Commercial Mortgage Representatives (if any), to execute, acknowledge and record (or, at the Commercial Unit Owner's sole option, to require any of the Boards or any other Unit Owner to execute, acknowledge and record) in the City Register's Office and elsewhere, if required by applicable law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such other documents, plans and maps as the Commercial Unit Owner deems appropriate to effectuate same to reflect any changes in the Commercial Unit, including any reapportionment of the percentage interests in the Common Elements resulting therefrom, made by the Commercial Unit Owner in accordance with the terms of Article 11 hereof or to facilitate or recognize the development of the Roof Unit and to file any amended Floor Plans for the Commercial Unit as required by the New York Real Property Law Section 339-p in connection therewith and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p of the Condominium Act; provided, however, that any such amendment shall not (a) change the Common Interest of any Unit other than the Commercial Unit owned by the Commercial Unit Owner or (b) require a physical modification of any Unit other than the Commercial Unit owned by the Commercial Unit Owner, unless the Unit Owner of such affected Unit consents thereto by joining in the execution of such amendment, or (c) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender unless the holder of such mortgage consents thereto by joining in the execution of such amendment.

20.4 The Declarant shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Boards or the Mortgage Representatives (if any), to execute, acknowledge and record (or, at the Declarant's sole option, to require any of the

Boards or any other Unit Owners to execute, acknowledge and record) in the City Register's Office and elsewhere, if required by applicable law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such other documents, plans and maps the Declarant deems appropriate: (a) to reflect any change in the Unsold Residential Units and/or the reapportionment of the respective Common Interests of the affected Units resulting therefrom made by the Declarant in accordance with the terms of Article 10 hereof and to file any amended Floor Plans required by the New York Real Property Law Section 339-p in connection therewith and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p of the Condominium Act; or (b) if required by (i) an institutional lender designated by the Declarant to make a loan secured by a mortgage on any Unsold Residential Unit, (ii) any governmental agency having regulatory jurisdiction over the Condominium or (iii) any title insurance company selected by the Declarant to insure title to any Unit; provided, however, that any amendment made pursuant to the terms of this Section 20.4 shall not (x) change the Common Interest of any Unit other than a Unit owned by the Declarant or (y) require a material, physical modification of any Unit other than a Unit owned by the Declarant, unless the Unit Owner of such affected Unit consents thereto by joining in the execution of such amendment, or (z) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender unless the holder of such mortgage consents thereto by joining in the execution of such amendment. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office.

20.5 In addition, a copy of this Declaration and the By-Laws and any amendments thereto shall be filed with the New York State Department of State. Any amendment to this Declaration may be executed: (a) if on behalf of the Declarant, only a Person authorized by, or having authority to act on behalf of the Declarant; or (b) if on behalf of the Unit Owners, by the President or Vice President and the Secretary or an Assistant Secretary of the Condominium Board; or (c) if on behalf of the Residential Unit Owners, by the President or Vice President and the Secretary or an Assistant Secretary of the Residential Board; (b) if on behalf of the Non-Residential Unit Owners, by the President or Vice President and the Secretary or an Assistant Secretary of the Non-Residential Board; or (c) if on behalf of the Commercial Unit Owner, only a Person authorized by, or having authority to act on behalf of the Commercial Unit Owner. If the amendment requires the approval of a specified percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certification shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting. Notwithstanding the foregoing, the Boards shall sign and acknowledge any amendment permitted to be signed and acknowledged by the Declarant or the Commercial Unit Owner pursuant to this Declaration and the By-Laws, if requested to do so by the Declarant or the Commercial Unit Owner. Any Person authorized to sign, acknowledge and record an amendment to this Declaration is also authorized to cause to be properly certified

and filed and/or recorded with the tax assessor (and other governmental authority having jurisdiction) and in the City Register's Office any appropriate amendments to the Floor Plans whenever required in connection with such amendment to this Declaration (such as in the case of amendment to this Declaration to reflect a Unit subdivision or Unit combination pursuant to Articles 10 or 11.). A conformed copy of any amendment to the Condominium Documents shall be filed promptly with the Secretary or Assistant Secretary of the Condominium or the Condominium's Managing Agent by the applicable Person recording the amendment and shall be made available by the Condominium Board at the Property or the office of the Managing Agent for inspection (without charge) and copying (at a reasonable charge) by all Unit Owners, Mortgage Representatives, if any, and prospective purchasers, mortgage lenders or tenants of a Non-Residential Unit, and authorized representatives of each of the foregoing. Each Person authorized to sign an amendment to this Declaration shall be deemed to execute such amendment as attorney-in-fact for the Unit Owners, coupled with an interest and granted for valuable consideration for such purpose.

20. 6 The provisions of 20.1 and 20.2 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant or its designee, and the provisions of 20.1, 20.3, and 20.4, may not be modified, amended, added to or deleted, in whole or in part, without the consent of the Commercial Board.

ARTICLE 21
TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. No such vote shall be effective, however, (a) without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential and Commercial Mortgage Representatives, if any, and (b) without the written consent of Declarant, until such time as Declarant and its designees have conveyed title to all Residential Units, provided that in no event shall Declarant's consent be required more than five years after the date fee title to a Residential Unit is first conveyed to a purchaser by Declarant or its designees pursuant to an offering plan. 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 from out of his or her share of such net proceeds all liens on his Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 22
WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 23
CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE 24
CERTAIN REFERENCES

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

24.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

24.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

24.4 When used in this Declaration or the By-Laws, the terms "now," the "date hereof" or the "date of this Declaration" shall mean the date on which this Declaration is filed in the Office of the New York City Register, New York County. The term "hereafter" when used in this Declaration or the By-Laws shall mean after the date on which this Declaration is filed in the Office of the New York City Register, New York County.

24.5 Whenever in the Declaration or the By-Laws the term "including" is used, it shall be deemed to mean "including, without limitation," whether or not so stated.

24.6 Wherever there is a requirement in the Declaration or the By-Laws that a consent or approval of a party hereto not be "unreasonably withheld" or words of similar import, such terms shall be construed as if followed by the phase "conditioned or delayed" whether or not so stated.

24.7 The term "laws" and/or "regulations of governmental authorities" and words of like import shall mean the laws, statutes, treaties, rules, codes, ordinances, regulations of any or all of the federal, state, city, county and local governments and rules, regulations, orders and/or directives of any or all departments, subdivisions, bureaus, agencies or offices thereof, or of any other governmental, public or quasi-public authorities having jurisdiction over the Condominium, the Property or any part thereof, including Common Elements and the Units, and/or the direction of any public officer pursuant to any such laws, and, to the extent a Unit Owner and/or any Board, the Property or any part thereof, including any Unit of any part of the Common Elements, as the case may be, is bound thereby or subject thereto, any judgments, decrees, injunctions, writs, orders, notices of violation or like action of any such governmental authorities.

24.8 The term "requirements of insurance bodies" and words of like import shall mean rules, regulations, orders and other requirements of the New York Board of Fire Underwriters and/or the New York Fire Insurance Rating organization and/or any other body performing the same or similar functions and having jurisdiction or cognizance of the Condominium and/or the Property or any part thereof, including any Unit or any part of the Common Elements.

24.9 All references to the "By-Laws" in this Declaration shall include the Rules and Regulations promulgated thereunder, unless the context otherwise requires.

ARTICLE 25
SEVERABILITY

Subject to the provisions of 19.2 and 19.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

ARTICLE 26
COVENANT OF FURTHER ASSURANCES

26.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of any Board or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

26.2 If any Unit Owner, any Board or any other party which is subject to the terms of this Declaration fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Board, Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Board which represents such Unit Owner, Board or other party is hereby authorized as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party. For purposes of this Section 26.2, the Commercial Board shall be deemed to represent the Residential Board, the Residential Board shall be deemed to represent the Commercial Board, and the Residential and/or Commercial Board shall be deemed to represent the Condominium Board.

26.3 If any Unit Owner, any Board or any other party which is subject to the terms of this Declaration fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver pursuant to this Declaration at the request of Declarant or its

designee, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 27
SUCCESSORS AND ASSIGNS

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee, or, with the consent of Declarant or its designee, any transferee of some or all of the then Unsold Residential Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Commercial Unit Owners, as the case may be, shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

ARTICLE 28
CONSENTS

Whenever the consent, approval, satisfaction or permission of Declarant or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction or permission will not be required when Declarant or such designee no longer owns any Unsold Residential Units.

ARTICLE 29
INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Residential Unit Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans, are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the ____ day of _____, 200__.

254 PAS Property LLC

By: _____

Daniel Rosen
Authorized Representative

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

On the ___ day of ___ in the year 20__, before me, the undersigned personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

EXHIBIT A

DESCRIPTION OF THE LAND

EXHIBIT B

DESCRIPTION OF THE UNITS

TO BE INSERTED PRIOR TO CLOSING

EXHIBIT C

DEFINITIONS

"Adversely affect", or "adverse effect", as used in the Condominium Documents, shall mean, with respect to any action or proposed change and with respect to any Unit Owner or Owners, that such action or change could, if realized, (i) increase the Common Charges payable by such Unit Owner or Owners or materially increase such Unit Owner or Unit Owner's non-monetary obligations under the Condominium Documents, (ii) materially interfere with such Unit Owner's access to its Unit or Units, (iii) obstruct or degrade the view from the windows of such Unit Owner's Unit or (iv) otherwise materially diminish such Unit Owner's use and enjoyment of its Unit or Units or its rights as a Unit Owner under the Condominium Documents.

"Building" refers to the structures and improvements including above and below grade segments, known as 254 Park Avenue South, New York, New York in which the Units of the Condominiums are located.

"By-Laws" refers to the By-Laws governing the operations of the Condominium, the form of which is set forth in Part II of the Plan.

"City Register's Office" refers to the New York County office of the Register of The City of New York.

"Closing" refers to the time, place and procedure by which fee title to the Residential Unit in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.

"Closing Date" refers to the date on which Closing occurs.

"Commercial Board" refers to the board of managers comprised of representatives of the Commercial Unit Owners.

"Commercial Common Charges" refers to (i) assessments payable to the Commercial Board by the Commercial Unit Owners for the purpose of meeting (a) Commercial Common Expenses and (b) each Commercial Unit Owner's pro rata share of General Common Expenses and (ii) that portion of the General Common Expenses attributable to the Commercial Unit Owners.

"Commercial Common Expenses" refers to the costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Commercial Common Elements.

"Commercial Common Elements" refers to those Common Elements which serve or benefit exclusively the Commercial Unit and/or the Commercial Unit Owners.

"Commercial Limited Common Elements" refers to those Common Elements which serve or benefit the Commercial Unit and/or the Commercial Unit Owners.

"Commercial Section" refers to the Commercial Unit and the Commercial Common Elements.

"Commercial Unit" refers to the Retail and Roof Unit, and, to the extent the Commercial Unit is further divided, the Commercial Unit shall refer to all of the Units resulting from the subdivision of the Commercial Unit.

"Commercial Unit Owners" refer to the owner or owners of the Commercial Unit. In the event the Commercial Unit is subdivided, Commercial Unit Owners shall refer to all of the Units resulting from the subdivision of the Commercial Unit.

"Common Charges" refer to the aggregate of General Common Charges, Commercial Common Charges and Residential Common Charges.

"Common Elements" refer to the General Common Elements, the Residential Common Elements, the Residential Limited Common Elements and the Commercial Common Elements.

"Common Expenses" refer to the costs and expenses incurred from General Common Elements, the Residential Common Elements and the Commercial Common Elements.

"Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the General Common Elements appertaining to each Unit determined in accordance with the Declaration. The Common Interest is the basis of determining, among other things, a Unit Owner's (a) voting power, and (b) share of any distributions upon termination of the Condominium.

"Condominium" refers to 254 Park Avenue South Condominium.

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

"Condominium Board" refers to the overall board of managers of the Condominium comprised of representatives of the Residential Board and of the Commercial Board.

"Declarant" refers to 254 PAS Property LLC, a Delaware limited liability company, and its successors and assigns.

"Declarant and/or its designee(s)", "Declarant or a designee of Declarant" or similar terms refers to Declarant and any designee of Declarant.

"Declaration" refers to the instrument creating the Condominium, as the same may be amended from time to time, the form of which is set forth in Part II of the Plan.

"Department of Law" refers to the New York State Department of Law.

"First Closing", or words of similar import, refers to the date fee title to a Residential Unit is first conveyed to a Purchaser by Declarant as sponsor pursuant to the Plan.

"Floor Plans" refers to the floor plans of the Building, as the same may be amended from time to time, which are approved by the Real Property Assessment Bureau of The City of New York and filed with the City Register's Office.

"General Common Charges" refer to assessments payable to the Condominium Board by the Residential Board and the Commercial Board for the purpose of meeting General Common Expenses (including but not limited to, the costs and expense of financing or leasing an apartment for the Resident Manager).

"General Common Elements" refer to the Land and all parts of the Building, including its foundations, roofs and supports, other than the Units and the Limited Common Elements.

"General Common Expenses" refer to costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements.

"Land" refers to the Property, other than the Buildings and the appurtenances thereto.

"Managing Agent" refers to the managing agent or manager of the Building at the time in question.

"Office Unit" refers to the offices and light manufacturing units and the valet space.

"Permitted Mortgage" refers to a mortgage permitted to be placed upon a Unit or Units pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the construction loan mortgages given by Declarant to acquire and construct the Property.

"Plan" refers to the offering plan for the establishment of condominium ownership, as the same may be amended from time to time.

"Property" refers to the Land, the Building and the appurtenances thereto.

"Property Deed" refers to the deed dated December 15, 2005 pursuant to which the Sponsor acquired fee title to the Property.

"Purchase Agreement" refers to the agreement to purchase a Residential Unit from Declarant as sponsor pursuant to the Plan.

"Purchaser" refers to person(s) or entity(ies) named as Purchaser(s) in a Purchase Agreement which has been duly executed by such person(s) or entity(ies) and accepted by Declarant as sponsor under the Plan.

"Residential Board" refers to the board of managers representing the Residential Unit Owners.

"Residential Common Charges" refer to assessments payable to the Residential Board by Residential Unit Owners for the purpose of meeting the cost of the Residential Common Expenses.

"Residential Common Elements" refer to those Common Elements which serve or benefit exclusively the Residential Unit and/or the Residential Unit Owners.

"Residential Common Expenses" refer to the costs and expenses incurred or projected in connection with repair, maintenance, replacement, restoration, improvement, alteration and addition of and to the Residential Common Elements or in connection with any services or facilities exclusively benefiting the Residential Section or the Residential Unit Owners.

"Residential Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the Residential Common Elements appertaining to each Residential Unit determined in accordance with the Declaration. The Residential Common Interest is the basis of determining a Unit Owner's liability for a share of the Residential Common Charges.

"Residential Limited Common Interests" refer to those Common Elements which serve or benefit exclusively one or more but not all the Residential Units and/or the Residential Unit Owners including, but not limited to the Terraces appurtenant to certain Residential Units.

"Residential Rules and Regulation" refer to the rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

"Residential Section" refers to the Residential Units, the Residential Common Elements and the Residential Limited Common Elements.

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

"Residential Unit Owner" refers to any owner of a Residential Unit, and all such owners are, collectively, referred to as "Residential Unit Owners".

"Resident Manager's Units" refers to the apartment in the Building in which the Condominium's Resident Manager will reside.

"Residents" refer to the people residing in the Building regardless of whether they are Unit Owners, renters, or other occupants of the Units.

"Retail Unit" refers to the 3,980 square feet of retail space on the ground floor of the Building.

"Roof Unit" refers to the portions of the roof which is not being used for the Building's mechanical equipment and the Building's unused air rights.

"Schedule A" refers to Schedule A, "Purchase Price and Related Information for the Projected First Year of Condominium Operation" set forth in Part I of the Plan.

"Schedule B" refers to Schedule B, "Projected Budget for the First Year of Condominium Operation" set forth in Part I of the Plan.

"Selling Agent" refers to any successor selling agent at the time in question.

"Sponsor" refers to 254 PAS Property LLC, a Delaware limited liability company, and its successor and assigns.

"Sponsor and/or its designee(s)", "Sponsor or a designee of "Sponsor" of similar terms refers to Sponsor and any designee of Sponsor.

"Sponsor Control Period" refers to the period during which members of the Residential Board or Condominium Board designated by Sponsor constitute a majority of the members of said Boards.

"Terrace(s)" refers to terraces and/or balconies appurtenant to certain Residential Units which are Residential Limited Common Elements.

"Unavoidable Delays" refer to delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, terrorist acts, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or lightning, earthquake, fire, storm, hurricane, flood, explosion, act of God or any cause similar to any of the causes hereinabove state; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause similar to the causes stated above.

"Unit" or "Condominium Unit" refers to space designated as a Residential Unit or a Commercial Unit in the Declaration, consisting, generally, of either a specific residence or a portion of the Commercial space in the Building, together with an appurtenant proportionate undivided interest in the General Common Elements and, as the case may be, in the Residential Common Elements, the Residential Limited Common Elements or in the Commercial Common Elements. All of such Units are collectively referred to as "Units".

"Unit Owner" refers to any Residential Unit Owner or Commercial Owner, and all of such Residential Unit Owners and Commercial Unit Owners are collectively referred to as the "Unit Owners".

"Unsold Residential Unit" refers to (a) any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee, or a Residential Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of their principals, is a member or (b) any Residential Unit for which there is a signed Purchase Agreement but for which Closing has not yet occurred.

EXHIBIT D

BY-LAWS
OF

THE 254 PARK AVENUE SOUTH CONDOMINIUM
254 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10010

EXHIBIT E

RESIDENTIAL UNIT POWER OF ATTORNEY

EXHIBIT "9"

CONDOMINIUM BY-LAWS

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BY-LAWS

ARTICLE 1

GENERAL

1.1 **Purpose**. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of 254 Park Avenue South Condominium (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately 11,500 square feet of land (the "Land") which forms a part of Block 849 of Lot 36 on the Tax Map of the Borough of Manhattan, City, County and State of New York, the buildings and other improvements now or hereafter to be constructed thereon or therein, as the case may be (hereinafter collectively called the "Buildings"), including, without limitation, the Units and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the New York County Office of the Register of The City of New York ("City Register's Office"), together with these By-Laws. All terms used herein including, but not limited to, "Declarant or its designee" and "Declarant or a designee of Declarant," which are not separately defined herein, shall have the meanings given to those terms in the Declaration.

1.2 **Applicability of By-Laws.** These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and other occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration are accepted, ratified, and will be complied with.

1.3 **Principal Office of Condominium**. The principal office of the Condominium shall be located within the Property or at such other place within the Borough of Manhattan reasonably convenient thereto, as may be designated from time to time by the Condominium Board (as hereinafter defined).

ARTICLE 2
BOARDS OF MANAGERS

2.1 **Number, Term and Qualification**.

2.1.1 As more particularly set forth in 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"). From and after the first annual meetings of Residential Unit Owners and Commercial Unit Owners as provided in Section 3.1, the Residential Board shall consist of seven (7) persons elected by the Residential Unit Owners, subject to Declarant's 3.9.3 rights and the Commercial Board shall consist of a representative appointed by the owner of each Commercial Unit. The Condominium

Board shall consist of nine (9) persons: the seven (7) members of the Residential Board and two (2) members of the Commercial Board subject to Section 2.4. The Condominium Board, the Commercial Board, and the Residential Board, are herein sometimes referred to collectively as the "Boards" and individually as a "Board."

2.1.2 Each member of the Residential Board except for the first Boards as provided in 2.4 and except as otherwise provided herein, shall be elected at the separate annual meetings of Residential Unit Owners and shall serve until the next annual meeting thereof and until successors have been elected and qualified. There shall be no limit on the number of successive terms a Board member may serve.

2.1.3 Except for Board members elected or designated by Declarant or its designee (a) all members of the Residential Board shall be either Residential Unit Owners or officers, directors, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries or any other entities which own Residential Units, Permitted Mortgagees, or family members of any of the foregoing, and (b) all members of the Commercial Board shall be either a Commercial Unit Owner or officers, directors, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries, or any other entities which may own a Commercial Unit, Permitted Mortgagees of the Commercial Unit, lessees of the Commercial Unit or portions thereof, or family members of any of the foregoing. Other than Board members elected or designated by Declarant or its designee no Board member shall continue to serve after he ceases to be qualified as set forth above. As used herein the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") of a Unit or Units which is permitted to be placed thereon pursuant to these By-Laws.

2.1.4 Notwithstanding anything contained herein to the contrary, so long as there is only one owner of the Commercial Unit, the Commercial Unit Owner shall have the right to act in lieu of the Commercial Board.

2.2 **Powers and Duties.**

2.2.1 The Boards shall collectively have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by law, the Declaration or these By-Laws may not be delegated to the Boards by the Unit Owners). All determinations, however, which (a) affect only the Residential Section and do not adversely affect the Commercial Section or the use of the Commercial Section for its permitted purposes, shall be made by the Residential Board or (b) affect only the Commercial Section and do not adversely affect the Residential Section or the use of Residential Units for their permitted purposes, shall be made by the Commercial Board. All other determinations with respect to the administration of the affairs of the Condominium including, without limitation, determinations which (i) relate to the Residential Section and adversely affect the Commercial Section, or (ii) relate to the Commercial Section and adversely affect the Residential Section, or (iii) relate to or affect the General Common Elements, shall be made by the Condominium Board. Any dispute between the Residential Board and the Commercial Board with respect to whether the Residential Board or the Commercial Board shall be entitled to make any determination shall be settled by Arbitration (as hereinafter defined); provided, however, that no such dispute with respect to whether the determination of one adversely affects the other shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the other party within 10 business days of receipt by it of notice of such determination. In addition,

any dispute between the Residential Board and the Commercial Board with respect to whether any matter is entitled to be determined by the Condominium Board shall be settled by Arbitration, which Arbitration shall be determined on the basis of what is in the best interests of the Condominium. As used herein the term "Arbitration" means arbitration conducted in accordance with the provisions of Article 11 and the term "adversely affect" shall mean the uses prohibited by 6.16.

2.2.2 Subject to the provisions of 2.2.1 and without limiting the generality thereof:

2.2.2.1 The Condominium Board shall be entitled to make determinations with respect to the following matters:

2.2.2.1(a) Operation, care, upkeep, maintenance, repair and replacement of the General Common Elements, including contracts for utilities, services and supplies;

2.2.2.1(b) The amount of General Common Charges (as hereinafter defined).

2.2.2.1(c) Employment and dismissal of the personnel necessary for the maintenance and operation of the General Common Elements.

2.2.2.1(d) Adoption of, and amendments and additions to, the General Rules and Regulations (as hereinafter defined).

2.2.2.1(e) Making additions and improvements to, or alterations of, the General Common Elements.

2.2.2.1(f) Making repairs and restorations of the General Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.1(g) Enforcing obligations of Unit Owners, the Commercial Board and the Residential Board.

2.2.2.1(h) Levying fines against Unit Owners, the Commercial Board or the Residential Board for violations of the General Rules and Regulations (any such fines shall constitute General Common Charges payable by the Unit Owner or Board against which they are levied).

2.2.2.1(i) Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

2.2.2.1(j) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves both the Residential Section and the Commercial Section or the General Common Elements, as set forth in 6.2.

2.2.2.1(k) Borrowing money on behalf of the Condominium, when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the General Common Elements; provided, however, that (i) the consent of at least 51% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of $250,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), and

(ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit. If any sum borrowed by the Condominium Board pursuant to the authority contained in this subparagraph 2.2.2.1(1) is not repaid by said Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit.

2.2.2.1(l) Organizing corporations to act as designees of the Condominium Board with respect to such matters as such Board may determine.

2.2.2.1(m) Execution, acknowledgment and delivery of (i) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Buildings, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Condominium Board deems necessary or appropriate.

2.2.2.1(n) Prepare, execute and record, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-Laws whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws.

2.2.2.1(o) Obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of 6.2.

2.2.2.2 The Residential Board shall be entitled to make determinations with respect to the following matters:

2.2.2.2(a) Operation, care, upkeep, maintenance, repair and replacement of the Residential Section, including contracts for utilities, services and supplies.

2.2.2.2(b) The amount of Residential Common Charges (as hereinafter defined), subject to the determination of the Condominium Board with respect to General Common Charges, and collection of Residential Common Charges from Residential Unit Owners.

2.2.2.2(c) Leasing or purchasing an apartment for use as the residence of the Building Resident Manager, either in the Building or elsewhere (in compliance with applicable law and regulation) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such lease.

2.2.2.2(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Residential Section.

2.2.2.2(e) Adoption of, and amendments and additions to, the Residential Rules and Regulations (as hereinafter defined).

2.2.2.2(f) Subject to Section 8.2., purchasing, leasing and otherwise acquiring in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners, Residential Units offered for sale or lease or surrendered by their owners to the Residential Board.

2.2.2.2(g) Purchasing Residential Units at foreclosure or other similar sales, in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners.

2.2.2.2.(h) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) Residential Units acquired by, and subleasing Residential Units leased by, the Residential Board or its designee, on behalf of all Residential Unit Owners.

2.2.2.2(i) Making additions and improvements to, or alterations of, the Residential Common Elements and the Residential Limited Common Elements.

2.2.2.2(j) Making repairs to and restorations of the Residential Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.2(k) Enforcing obligations of Residential Unit Owners and the Boards.

2.2.2.2(l) Levying fines against Residential Unit Owners for violations of the Residential Rules and Regulations (any such fines shall constitute Residential Common Charges payable by the Residential Unit Owner against whom they are levied).

2.2.2.2.(m) Maintaining bank accounts on behalf of the Residential Section (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

2.2.2.2.(n) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Residential Section as set forth in 6.2.

2.2.2.2(o) Borrowing money on behalf of the Residential Section when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the Residential Section or otherwise in connection with any permitted action or activity of the Residential Board; provided, however, that (i) except as provided in 8.6, the consent of at least 51% in Common Interest of all Residential Unit Owners shall be required for any borrowings in excess of the aggregate amount of $250,000 (including the pro rata share of the Residential Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(1)) in any one fiscal year (regardless of the balance of any loans outstanding from previous years, (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit, and (iii) the Commercial Unit Owner will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Residential Board pursuant to the authority contained in this subparagraph 2.2.2.2(o) is not repaid by said Board, a Residential Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all Residential Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or any

lien which said creditor has filed or has the right to file against such Residential Unit Owner's Unit.

2.2.2.2(p) Organizing corporations to act as designees of the Residential Board with respect to such matters as such Board may determine, including, without limitation, in connection with the acquisition of title to or the leasing or subleasing of Residential Units by the Residential Board on behalf of Residential Unit Owners.

2.2.2.2(q) Execution, acknowledgment and delivery of (i) any declaration or other instrument affecting only the Residential Section which the Residential Board deems necessary or appropriate to comply with any law, ordinance, regulation. zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Residential Section, or (ii) any consent, covenant, restriction, easement or declaration affecting only the Residential Section which the Residential Board deems necessary or appropriate.

2.2.2.2(r) Execution, acknowledgment and delivery of any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Residential Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

2.2.2.2(s) Operation, maintenance and supervision of all Residential Common Elements and Residential Limited Common Elements.

2.2.2.2(t) Purchasing or leasing, in the name of the Residential Board, space for the storage of personal property of Residential Unit Owners, and in connection therewith the promulgation of conditions, rules and regulations for the operation and supervision thereof.

2.2.2.2(u) Imposition of move in fees and charges, and transfer fees in connection with the sale or lease of a Residential Unit, provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant.

2.2.2.2(v) To execute, acknowledge and deliver: (a) any declaration (including a declaration of single zoning lot) or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

2.2.2.2(w) To prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modification, additions and deletions theretofore made to the same;

2.2.2.2(x) Commencement of summary eviction proceedings in the name of or on behalf of the Condominium Board and/or Unit Owner or Unit Owners, as the case

may be, against an authorized guest and/or a Tenant of a Unit Owner if such authorized Guest and/or Tenant does not conform to the Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said Rules and Regulations may at any time and from time to time, be modified, amended or added to in accordance with the terms of these By-Laws. All costs in connection with the removal of the authorized guest and/or Tenant, including reasonable attorney's fees, shall be borne by the Unit Owner.

2.2.2.2(y) To carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

2.2.2.2(z) To establish reasonable rules for the use of the storage areas, the Laundry Room and the other Residential Common Elements.

2.2.2.3 The Commercial Board (or the Commercial Unit Owner when there is only one Commercial Unit Owner) shall be entitled to make determinations with respect to the following matters:

2.2.2.3(a) Operation, care, upkeep, maintenance, repair and replacement of the Commercial Section, including contracts for utilities, services and supplies.

2.2.2.3(b) The amount of Commercial Common Charges, subject to the determination of the Condominium Board with respect to General Common Charges.

2.2.2.3(c) Collection of Commercial Common Charges from Commercial Unit Owner.

2.2.2.3(d) Employment and dismissal of personnel necessary for the maintenance and operation of the Commercial Section.

2.2.2.3(e) Adoption of, and amendments and additions to, the Commercial Rules and Regulations (as hereinafter defined).

2.2.2.3(f) Selling, leasing, mortgaging and otherwise dealing with all or any portion of the Commercial Section. This 2.2.2.3(f) is not intended, except to the extent provided elsewhere to the contrary, to interfere with the ability of Commercial Unit Owner to sell, lease, mortgage, subdivide or combine portions of their individual Units.

2.2.2.3(g) Making additions and improvements to or alterations of the Commercial Common Elements or the Commercial Limited Common Elements.

2.2.2.3(h) Making repairs to and restorations of the Commercial Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.3.(i) Enforcing obligations of the Commercial Unit Owner.

2.2.2.3(j) Opening and maintaining bank accounts with respect to the Commercial Section and designating the signatories required therefor.

2.2.2.3(k) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Commercial Section as set forth in 6.2.

2.2.2.3(l) Borrowing money on behalf of the Commercial Section when required in connection with the operation, care, upkeep and maintenance of, or the making

of repairs, replacements, restorations or additions to or alterations of, the Commercial Section or otherwise in connection with any permitted action or activity of the Commercial Board; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Commercial Unit Owners shall be required for any borrowings in excess of the aggregate amount of $150,000 (including the pro rata share of the Commercial Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(1)), in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit, and (iii) the Residential Unit Owners will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Commercial Board pursuant to the authority contained in this subparagraph 2.2.2.3(1) is not repaid by said Board, a Commercial Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all Commercial Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or any lien which said creditor has filed or has the right to file against such Commercial Unit Owner's Unit.

2.2.2.3(m) Organizing corporations to act as designees of the Commercial Section with respect to such matters as the Commercial Board may determine.

2.2.2.3(n) Execution, acknowledgment and delivery of (i) any declaration or other instrument affecting only the Commercial Section which the Commercial Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Commercial Section, (ii) any consent, covenant, restriction, easement or declaration affecting only the Commercial Section which the Commercial Board deems necessary or appropriate, or (iii) any easement permitting access between the Commercial Section and any property adjoining the Land, including the right to penetrate any General Common Elements located between the Commercial Section and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building.

2.2.2.3(o) Purchasing, leasing and otherwise acquiring in the name of the Commercial Board or its designee, on behalf of all Commercial Unit Owners, the Commercial Unit or portions thereof offered for sale or lease or surrendered by their owners to the Commercial Board.

2.2.2.3(p) Purchasing the Commercial Unit or portions thereof at foreclosure or other similar sales, in the name of the Commercial Board or its designee, on behalf of all Commercial Unit Owners.

2.2.2.3(q) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) the Commercial Unit or portions thereof acquired by, and subleasing the Commercial Unit or portions thereof leased by, the Commercial Board or its designee, on behalf of all Commercial Unit Owners.

2.2.2.3(r) Operation, maintenance and supervision of all Commercial Common Elements and the Commercial Limited Common Elements.

2.2.3 Any act with respect to a matter determinable by any Board and deemed necessary or desirable by such Board in connection therewith shall be done or performed by such Board or shall be done on its behalf and at its direction by the agents, employees or designees of such Board.

2.2.4 For convenience of operation of the Condominium, any Board may designate another Board to act as its agent with respect to any matters the determination of which is entitled to be made by such designating party and in connection with such designation may execute, acknowledge and deliver any application, instrument or document, including, without limitation, any power of attorney or indemnification from liability that such designated party may require or request.

2.2.5 Any action required or permitted to be taken pursuant to the provisions of these By-Laws or the Declaration by either the Residential Board or the Commercial Board may, if required, be taken by either the Residential Board or the Commercial Board in the name of the Condominium Board which shall, upon request, execute, acknowledge and deliver any and all instruments, documents or applications in connection therewith; provided, however, that the party desiring to take such action shall, subject to the provisions of 2.15, indemnify and hold harmless the other and, in the case of action taken by the Commercial Board, the Commercial Board shall also indemnify and hold harmless the Residential Unit Owners from any expense or liability thereof or therefrom.

2.2.6 Notwithstanding anything to the contrary contained in these By-Laws, (a) no action which is taken or omitted to be taken by or on behalf of the Residential Board or Residential Unit Owners shall be deemed to adversely affect in any way the Commercial Section or the use of the Commercial Unit for their permitted purposes and thus shall not require the consent or approval of the Commercial Board pursuant to 2.2.1 unless the use of any portion of the Residential Section would result in or involve a violation of the provisions of 6.16, (b) no action which is taken or omitted to be taken by or on behalf of the Commercial Board or Commercial Unit Owners shall be deemed to adversely affect in any way the Residential Section or the use of Residential Units for their permitted purposes and thus shall not require the consent or approval of the Residential Board pursuant to 2.2.1 unless the use of any portion of the Commercial Section would result in or involve a violation of the provisions of 6.16, and (c) no penetration of the General Common Elements located between the Commercial Section and any property adjoining the Land to effectuate the provisions of any easement granted by the Commercial Unit Owner under 2.2-2.3(n) shall be deemed to adversely affect in any way the Residential Section or the use of Residential Units for their permitted purposes and thus shall not require the consent or approval of the Residential Board or the Residential Unit Owners unless such penetration would materially weaken the structural soundness of the Buildings.

2.2.7 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or its designee shall continue to own at least one Unsold Residential Unit but in no event later than five years from the First Closing of a sale made under an Offering Plan, neither the Condominium Board nor the Residential Board may, without Declarant's prior written approval: (i) make any addition, alteration or improvement to the General Common Elements, the Residential Common Elements or to the Residential Limited Common Elements or to any Residential Unit; (ii) increase or decrease the number, or change the kind of employees initially hired for the Residential Section of the Condominium; (iii) enter into any service or maintenance contract for work not covered in the initial projected budget for the Condominium or Residential

Section or otherwise provide services in excess of those contemplated by such projected budget, except as is required to reflect normal annual increases in operating services; (iv) borrow money on behalf of the Condominium or on behalf of the Residential Section; (v) assess any General Common Charges or Residential Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (vi) exercise a right of first refusal to lease or purchase a Residential Unit; provided that Declarant's written consent is not necessary to perform any function or take any action described in items (i) through (vi) above if and only if the performance of such function or the carrying out of such an action is necessary and no other alternative is available to enable the Condominium Board or Residential Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

2.2.8 Notwithstanding any other provision of the Declaration or of these By-Laws, the Commercial Unit Owner, if there is, or is deemed to be, only one Commercial Unit Owner, is designated by the Commercial Board to perform all of the duties, and is empowered with the powers otherwise granted herein to the Commercial Board, and in such matters shall act for and on behalf of itself and the Board in the same manner and with the same authority as the Board and, if required, in the name and stead of the Board, in connection with the operation of the Condominium. In so acting, the Commercial Unit Owner, if there is, or is deemed to be, only one Commercial Unit Owner, and all Persons acting for and on behalf of the Commercial Unit Owner in such capacities shall be indemnified to the same extent as the Board and its members and officers are otherwise indemnified hereunder or otherwise, without limitation of any indemnification of such Commercial Unit Owner as an Owner.

2.3 **Managing Agents and Managers.** With respect to matters the determinations concerning which any Board is entitled to make, such Board may employ a managing agent and/or a manager at a compensation established by such Board to perform such duties and services as such Board shall authorize. Each Board may delegate to such managing agent or manager other powers granted to such Board by these By-Laws, except the powers set forth in 2.2.2.1(b), (e), (g), (h),(1), (m), (n) and (o); 2.2.2.2(b), (e), (o), (p), (q) and (r); 2.2.2.3(b), (e), (f), (1), (m) and (n). Subject to the limitations set forth in this Section 2.3, the Commercial Board, the Condominium Board and the Residential Board may by mutual agreement employ one managing agent and/or manager to jointly act on their respective behalves and the costs of which shall be a General Common Expense, provided, however, that notwithstanding anything to the contrary contained herein, any decision with respect to whether or not to so employ one managing agent or manager shall not be the subject of Arbitration.

2.4 **First Boards**. The Condominium Board shall initially consist of the two (2) persons designated by Declarant to initially comprise the Residential Board and the one (1) person designated by the Commercial Unit Owner to initially comprise the Commercial Board. The various Board members shall be deemed to have been "elected" as members of such Boards for the purposes of these By-Laws. Within 180 days after the date of the First Closing the Residential and Commercial Boards will call for the first annual meetings of Residential Unit Owners and Commercial Unit Owners for the purpose of electing new Boards in accordance with the provisions of 3.1. The terms of each such member of the Residential Board and the Commercial Board shall expire annually. Notwithstanding the foregoing, for as long as Declarant has the voting power to elect all members of the Residential Board, the Residential

Board shall have three (3) members, the Commercial Board shall have two (2) members and the Condominium Board shall have five (5) members.

2.5 **Resignation and Removal**. Any Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board from which such member is resigning. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Subject to the provisions of 3.9.3, any Residential Board or Commercial Board member may be removed, with or without cause, by a majority vote of Residential Unit Owners or Commercial Unit Owners, as the case may be, present in person or by proxy at a regular or special meeting of Residential Unit Owners or Commercial Unit Owners, as the case may be, at which a quorum is present. Any Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Residential or Commercial Board members designated by Declarant or its designee may only be removed with cause and replaced as described in 2.6. In addition, any member of either Board who is designated as such by Declarant or its designee, may be removed by such designating party at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member.

2.6 **Vacancies**. Subject to the provisions of 3.9.3, any vacancy on the Residential Board or Commercial Board for whatever reason shall be filled by the members of the Residential or Commercial Board then in office, at a special meeting of such Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the respective Board until the next annual meeting of the Residential Unit Owners or Commercial Unit Owners, as the case may be, when a successor shall be elected for the remainder of the term of the member creating such vacancy. Notwithstanding anything to the contrary contained in these By-Laws, in the case of a vacancy on any Board, created by the resignation, removal or any other cause which results in any Board member designated by Declarant or its designee, ceasing to be a member of any such Board, Declarant or its designee, as the case may be, shall have the sole right to designate a replacement for such member.

2.7 **Organizational Meetings of the Residential and Commercial Boards**. The first meetings of the Residential Board and the Commercial Board following each annual meeting of each of the Residential Unit Owners and Commercial Unit Owners shall be held immediately following each such annual meeting.

2.8 **Regular Meetings of Boards**. Regular meetings of the Residential Board and Commercial Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof, provided that in the case of the Residential Board, at least four such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member thereof, by personal delivery, mail, e-mail or telegram, at least five business days prior to the day named for such meeting.

2.9 **Special Meetings of Boards.** Special meetings of the Residential Board and Commercial Board may be called by the respective President or Vice President of the Residential Board or Commercial Board by giving five business days' prior notice to each member of such Board by personal delivery, mail, e-mail or telegram, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Residential

Board or of the Commercial Board shall be called in like manner and on like notice on the written request of at least two members of the Residential Board or one member of the Commercial Board, respectively.

2.10 **Resolutions of Boards**. The Residential Board and the Commercial Board shall each cause to be promptly delivered to the other copies of all resolutions adopted by it except to the extent (a) of matters privileged under applicable law, (b) relating to the terms of the sale, leasing or subleasing of any Unit or portion of any Unit, other than the nature of the use thereof, and (c) relating to matters not related to the Property.

2.11 **Meetings of Condominium Board**. No organizational or regular meetings of the Condominium Board shall be held unless otherwise required by applicable law in which event such required meetings shall be held at such time and place in the Borough of Manhattan as shall be determined by the Condominium Board, provided that notice thereof be given to Board members by personal delivery, mail, e-mail or telegram at least five business days prior to the day named for such meeting. Special meetings of the Condominium Board may be called by the President of the Residential Board or the President of the Commercial Board by giving five business days' prior notice to each member of such Board by personal delivery, mail or telegram, which notice shall state the time, place (which shall be in the Borough of Manhattan) and purpose of the meeting.

2.12 **Waiver of Notice**. Any Board member may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of a Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of a Board, no notice shall be required and any business may be transacted at such meeting.

2.13 **Determinations by Boards; Quorums**.

2.13.2 Except as otherwise set forth in 2.13.4, all determinations by any Board shall be made at a meeting of such Board at which a quorum thereof is present. At any Commercial, Condominium, or Residential Board meeting, a majority of the members thereof shall constitute a quorum, and the votes of a majority of such members present shall constitute the decision of such Board.

2.13.3 When the Residential Board and the Commercial Board, with each acting in accordance with the provisions of this Article 2, have made the same determination as to any matter which is required or permitted to be determined by the Condominium Board, such determination shall constitute the determination of the Condominium Board. No meeting of the Condominium Board as such shall be necessary for any determination by it to be made. However, in the event any meeting of the Condominium Board is held, a majority of the members of the Condominium Board shall constitute a quorum for the transaction of business and a majority of the votes cast at any meeting at which a quorum is present shall constitute the decision of such Board.

2.13.4 If at any Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.14 Members of any Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of any Board may be taken without a meeting if all members of such Board consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of such Board.

2.14 **Compensation**. No member of any Board shall receive any compensation for acting as such.

2.15 **Liability of Boards and Unit Owners.**

2.15.1 To the extent permitted by applicable law, no member of any Board shall have any personal liability with respect to any contract, act or omission of any Board or of any managing agent or manager in connection with the affairs or operation of the Condominium, the Commercial Section, or the Residential Section or any Limited Common Element (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by any Board or by any managing agent or manager thereof shall state that it is made by such Board, managing agent or manager only as agent for all Unit Owners, Residential Unit Owners, or Commercial Unit Owner, as the case may be, that such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium or the Residential or Commercial Section, as the case may be, or any Limited Common Element shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, as the case may be, and, unless expressly stated to the contrary in such contract (as determined by the relevant Board in its sole and absolute discretion), to the extent permitted by applicable law, shall be limited to such Unit Owner's interest in his Unit and his appurtenant Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract or agreement may also provide that it covers the assets, if any, of the Board on whose behalf the contract or agreement is made. Board members shall have no liability to Unit Owners except that a Board member shall be liable for his own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member and each Residential or Commercial Board member, as the case may be, against any liability or claim except those arising out of such member's own bad faith or willful misconduct. Any Board may contract or effect any transaction with any Board member, any Unit Owner, Declarant, Declarant's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.15.2 No Board or any member thereof shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, such Board or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of such Board or any member thereof or (ii) any injury,

loss or damage to any individual or property, occurring in or about either a Unit or any General or Limited Common Element.

2.16 **Fidelity Bonds**. Each Board shall obtain or ensure maintenance of fidelity bonds, in amounts deemed appropriate by it, for all of its members, officers and employees and for the managing agent or manager, if any, employed by it and the premiums on such bonds shall constitute General Common Expenses, Commercial Common Expenses, or Residential Common Expenses, as the case may be.

2.17 **Committees**. Each Board may, subject to such limitations and exceptions as such Board may prescribe, appoint an Executive Committee and such other committees as such Board may deem appropriate, each to consist of as many members as such Board shall deem appropriate for the purpose of making such reports and studies as each such Board deems appropriate. Any Executive Committee of the Condominium Board shall be required to consist of at least one member of the Residential Board and one member of the Commercial Board. For so long as Declarant is entitled to designate members to any Board, any committee appointed by any such Board shall have as at least one of its members a member appointed by Declarant.

2.18 **Principal Offices of Boards**. The principal offices of the Boards shall each be located within the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by such Boards.

2.19 **Status of Boards**. In addition to the status conferred upon each of the Boards under or pursuant to the provisions of the Condominium Act, each of the Boards shall, to the extent permitted by applicable law, be deemed to constitute a separate unincorporated association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of any of the Boards pursuant to the provisions of 2.20, the provisions of this Section 2.19 shall no longer be applicable to such Board.

2.20 **Incorporation of Boards**. To the extent and in the manner provided in the Condominium Act, each of the Boards may by action of such Board as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that any Board so incorporates, it shall have, to the extent permitted by applicable law, the status conferred upon it under such statutes in addition to the status conferred upon such Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions hereof and the provisions of such certificate of incorporation and by-laws.

2.21 **Boards as Agents of Unit Owners**. In exercising their respective powers and performing their respective duties under the Declaration and these By-Laws, each Board shall act in good faith as, and shall be, the agent of the Unit Owners such Board represents, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3

UNIT OWNERS

3.1 **Annual Meetings**. The first annual meeting of Commercial Unit Owners shall be called on no more than 180 days after the Closing of a majority of the Units. Such meeting shall be held not less than 10 days nor more than 40 days after such date. At such meeting, each Commercial Unit Owner shall designate a member to the Commercial Board and as otherwise provided in these By-Laws. Thereafter, annual meetings of Commercial Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At each such annual meeting, the incumbent Commercial Board members shall resign and new Board members shall be designated in accordance with Section 2.1 and as otherwise provided in these By-Laws. Within 10 days following each annual meeting, the Commercial Board shall elect or designate in accordance with Section 2.1 and these By-Laws four representatives to the Condominium Board. On or no more than 180 days after the closing of a majority of the Units, the Residential Board will also call the first annual meeting of the Residential Unit Owners. Such meetings shall be held not less than 10 days nor more than 40 days after such date. At such meeting, the Residential Unit Owners shall elect (in accordance with the provisions of Section 2.1 and as otherwise provided in these By-Laws) a Residential Board consisting of nine members. Thereafter, annual meetings of Residential Unit Owners shall be held within approximately thirty (30) days of each anniversary of the first annual meeting. At such meetings, the members of the Residential Board shall be elected and there shall also be transacted such other business as may properly come before such meetings. The members of the Residential Board shall also serve as members of the Condominium Board. No joint annual meeting of Residential Unit Owners and the Commercial Unit Owners shall be required to be held unless otherwise required by law, in which event each such joint annual meeting shall be held on the date above specified for the annual meeting of Residential Unit Owners.

3.2 **Place of Meetings**. Meetings of all or any Unit Owners, Residential Unit Owners or Commercial Unit Owners, as the case may be, shall be held at the principal office of the Condominium or the Residential or Commercial Section, respectively, or, at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the appropriate Board.

3.3 **Special Meetings**. The President of the Residential or Commercial Board shall call a special meeting of respective Unit Owners, if so directed by resolution of the respective Board or upon a petition signed and presented to the Secretary of the respective Section by not less than 25% in Common Interest of Unit Owners in such Section. The President and the Vice President of the Condominium shall call a special joint meeting of all Unit Owners if so directed by resolution of the Condominium Board or upon a petition signed and presented to the Secretary of the Condominium by not less than 25% in Common Interest of Residential Unit Owners or 66-2/3% in Common Interest of Commercial Unit Owners.

3.4 **Notice of Meetings and Actions Taken**. Notice of each annual or special meeting shall be given by the appropriate Secretary to all Unit Owners of record entitled to vote thereat. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, mail or telegram, at least ten (10) but no more than thirty (30) business days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address at the Property or elsewhere as any Unit Owner has designated by notice in writing to the

appropriate Secretary at least ten (10) days prior to the giving of notice of the applicable meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least thirty (30) days prior to the day fixed for such meeting, and such notice shall be accompanied by a copy of the text of such proposed amendment.

3.5 **Adjournment of Meetings.** If any joint or separate meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

3.6 **Order of Business.** The order of business at all joint or separate meetings of Unit Owners shall be as follows:

(a) Call to order;

(b) Roll call;

(c) Proof of notice of meeting;

(d) Reading of minutes of preceding meeting;

(e) Reports of officers;

(f) Reports of members of the Board;

(g) Reports of committees;

(h) Election of inspectors of election (when so required);

(i) Election of members of the Board (when so required);

(j) Unfinished business;

(k) New business; and

(l) Adjournment.

3.7 **Title to Units**. Title to Units may be taken by any individual, corporation, partnership, association, trust or other entity, or any two or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

3.8 **Voting.**

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on his or her behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Residential Unit Owners or Commercial Unit Owners and at all joint meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the appropriate Board and shall be revocable at any time by written notice to such Secretary by the Unit Owner so designating; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. No Board or its designee shall be entitled to vote the interest appurtenant to

any Unit owned by such Board and the Common Interest of such Unit shall be excluded from the total Common Interests when computing the interest of Unit Owners for voting purposes.

3.8.2 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or his proxy) entitled to vote thereat (including Declarant with respect to Units owned by Declarant or its designee) shall be entitled to cast one vote for each of his or her percentage interest in the Common Elements.

3.8.3 Whenever a particular percentage of Common Interest must be reached for voting purposes and such required percentage is in terms of the Residential Unit Owners, as a group, or the Commercial Unit Owners as a group (as opposed to all Unit Owners as a whole), such required percentage shall mean a percentage in terms of total Common Interests attributable to that particular group and not the percentage of Common Interests attributable to all Unit Owners.

3.9 **Election of Board Members; Rights of Declarant.**

3.9.1 All elections of Board members shall be determined by plurality vote.

3.9.2 When voting for members of the Residential Board, or the Commercial Board, respectively, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interests owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Each Unit Owner shall be entitled to cast the number of votes determined in accordance with 3.8.2 for each member to be elected by the Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9.3 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Residential Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Residential Units owned by it until Declarant has closed title to all of the Unsold Residential Units owned by it (excluding Unsold Residential Units purchased by Declarant or its designee). Declarant shall not hold a majority of seats on the Residential Board after the earlier to occur of five (5) years from the date of the First Closing or (ii) that date upon which the Declarant and its designees own less than fifty (50%) percent of the aggregate Common Interests pertaining to all Units (the "Initial Control Period"). In addition, for so long as Declarant owns at least two Unsold Residential Units (excluding Unsold Residential Units purchased by Declarant or its designee) as the case may be, (a) Declarant shall have the right (but not the obligation) to designate at least one member of the Residential Board instead of voting the Common Interests attributable to Unsold Residential Units owned by it and (b) the number of members of the Residential Board may not be increased without the consent of Declarant. Any vacancy created by removal of a Board member designated by Declarant, or by any other cause which results in a Board member designated by Declarant ceasing to be a member of the Board, shall be filled by a person designated by Declarant. After the Initial Control Period, a majority of the Residential Board must be Unit Owners who are unrelated to the Sponsor or its principals.

3.10 **Majority of Unit Owners**. Except as may otherwise be provided by law, as used in these By-Laws, the terms "Majority of Residential Unit Owners," "Majority of Commercial Unit Owners" and "Majority of Unit Owners" means either those Residential Unit Owners, Commercial Unit Owners, or Unit Owners, as the case may be, having more than 50% of the

total authorized votes of either Residential Unit Owners, Commercial Unit Owners, or all Unit Owners, as the case may be, determined in accordance with the provisions of 3.8, who are present in person or by proxy and voting at any meeting at which a quorum is present.

3.11 **Quorum**. Except as otherwise provided in these By-Laws, the presence in person or by proxy of (a) Residential Unit Owners owning more than 50% of the Residential Units shall constitute a quorum at all meetings of Residential Unit Owners, (b) Commercial Unit Owners owning more than 50% of the Commercial Unit Owners shall constitute a quorum at all meetings of Commercial Unit Owners, and (c) Unit Owners owning more than 50% of the Units shall constitute a quorum at all joint meetings of Unit Owners, except that the Commercial Board shall have the absolute right to require an adjournment of such joint meetings for not longer than 30 days unless an emergency exists.

3.12 **Majority Vote**. Except where otherwise provided by law, the Declaration or these By-Laws, (a) at all separate meetings of Residential Unit Owners, the affirmative vote of a Majority of Residential Unit Owners shall be binding upon all Residential Unit Owners for all purposes, (b) at all separate meetings of Commercial Unit Owners, the affirmative vote of a Majority of Commercial Unit Owners shall be binding upon all Commercial Unit Owners for all purposes, and (c) at all joint meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

3.13 **Determination of Unit Owners**. When the Residential Unit Owners and Commercial Unit Owners, with each acting separately in accordance with the provisions of this Article 3, have made the same determination as to any matter which is required or permitted to be determined by all Unit Owners, such determination shall constitute the determination of all Unit Owners. No joint meeting of Residential Unit Owners and the Commercial Unit Owners shall be necessary for any such determination to be made by all Unit Owners.

ARTICLE 4

OFFICERS

4.1 **Designation**. The principal officers of the Condominium shall be (a) for the Residential Section, a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the Residential Board, (b) for the Commercial Section, a President, Vice-President, Secretary and Treasurer thereof, all of whom shall be elected by the Commercial Board, and (c) for the entire Condominium, (i) a President thereof, who shall be the same person serving as President of the Residential Section, (ii) a Vice President and Treasurer thereof, who shall be the same person serving as President of the Commercial Section, and (iii) a Secretary thereof, who shall be the same person serving as Secretary of the Residential Section. The Condominium Board, Commercial Board and the Residential Board may each appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. Any officer or manager of the Residential Section may also be an officer of the Commercial Section and any officer or director of the Commercial Section may also be an officer of the Residential Section. None of the officers of the Residential Section, the Commercial Section or the Condominium need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Residential Board after the first annual meeting of Residential Unit Owners. Thereafter, the President and Vice President of the

Residential Section must be members of the Residential Board. Any one may hold multiple offices.

4.2 **Election of Officers**. The officers of the Residential Section and the Commercial Section shall be elected annually by the Residential Board and the Commercial Board, respectively, at the organizational meetings thereof, except that the initial officers of the Residential Section and the Commercial Section shall be elected, respectively, by the initial Residential Board and the initial Commercial Board and shall hold office at the pleasure of such Boards and until their successors are elected.

4.3 **Resignation and Removal of Officers**. Any officer may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board which elected such officer. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board electing him, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

4.4 **Presidents**. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all joint meetings of Unit Owners and at all meetings of the Condominium Board. The President of the Residential Section shall be the chief executive officer thereof and shall preside at all meetings of the Residential Board and Residential Unit Owners. The President of the Commercial Section shall be the chief executive officer thereof and shall preside at all meetings of the Commercial Board and the Commercial Unit Owners. Each of said Presidents shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners or Residential Unit Owners or Commercial Unit Owners from time to time as he or she may in his or her discretion decide are appropriate to assist in the conduct of the affairs of the entire Condominium or of the Residential or Commercial Section, as the case may be.

4.5 **Vice Presidents**. Each of the Vice Presidents shall take the place of the President under whom he serves and perform his or her duties whenever such President shall be absent or unable to act. If both the President and the Vice President of the Residential Section, the Commercial Section, or the Condominium are unable to act, the Board under whom such President and Vice President serves shall appoint some member of such Board to act in the place of such President and Vice President on an interim basis. Each Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board or by the President under whom he or she serves.

4.6 **Secretaries**. The Secretary of the Condominium shall keep the minutes of all joint meetings of Unit Owners and of the Condominium Board. The Secretary of the Residential Section shall keep the minutes of the meetings of the Residential Board and Residential Unit Owners. The Secretary of the Commercial Section shall keep the minutes of the meetings of the Commercial Board and the Commercial Unit Owners. Each of the Secretaries shall have charge of such books and papers as the Board under which he or she serves shall direct and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 **Treasurers**. Each of the Treasurers shall have the care and custody of the funds and securities of the Condominium, the Commercial or the Residential Section, as the case may be, and shall be responsible for keeping full and accurate financial records and books of account thereof showing all receipts and disbursements necessary for the preparation of all required financial data. Each of the Treasurers shall be responsible for the deposit of all funds and other securities in the name of the Board for which he or she serves (or in the name of the managing agent appointed by such Board) in such depositories as may from time to time be designated by such Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.8 **Execution of Documents**. Unless otherwise delegated by the Board, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium or of the Residential or Commercial Section shall be executed by any officer thereof or by such other person or persons as may be designated by the applicable Board. However, any significant expenditure by the Condominium Board must be countersigned by two members of the Condominium Board, one of whom is also a member of the Residential Board and the other having been designated as a member of the Condominium Board by the Commercial Board. If for any reason whatsoever one member refuses to countersign such an expenditure which has been authorized, the Condominium Board shall designate and authorize another Board member to countersign the expenditure.

4.9 **Compensation of Officers**. Except as otherwise provided by the Board for which he serves, no officer shall receive any compensation for acting as such.

ARTICLE 5

NOTICES

5.1 **Notices**. All notices required or desired to be given hereunder to any Board shall be personally delivered or sent by registered or certified mail to the office of such Board or to such other address as such Board may designate from time to time, by notice in writing to the other Board and to all Unit Owners, as the case may be, and if there is a managing agent of such Board, a duplicate shall be sent in like manner to such managing agent. All notices to any Residential Unit Owner or Commercial Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail to the Property address of such Residential Unit Owner or Commercial Unit Owner or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Condominium Board and the Commercial or Residential Board. All notices to Permitted Mortgagees shall be personally delivered or sent by mail to their respective addresses, as designated by them from time to time, in writing to the Condominium Board, Commercial Board and the Residential Board. All notices shall be deemed to have been given when personally delivered or mailed in a postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

5.2 **Waiver of Service of Notice**. Whenever notice is required to be given by law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6

OPERATION OF THE PROPERTY

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 Except as otherwise provided herein, all costs and expenses attributable to the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements ("General Common Expenses") shall be determined by the Condominium Board as set forth below, and shall be borne by the Residential Board and the Commercial Board. General Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be General Common Expenses. General Common Expenses shall also include such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the General Common Elements. The Condominium Board shall from time to time and at least annually prepare a budget to meet General Common Expenses and shall allocate and assess to the Residential Unit Owners and the Commercial Unit Owners, pro rata in accordance with the aggregate respective Common Interests of the Residential Unit Owners and Commercial Unit Owners (except as otherwise provided in the Declaration or these By-Laws or to the extent a different method of allocation is described in Schedule B, Projected Budget for First Year of Condominium Operation), charges as set forth in the Plan) ("General Common Charges") to meet General Common Expenses. Such budgets shall include such amounts for reserves, as the Condominium Board deems appropriate. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the law. Notwithstanding anything to the contrary set forth above, the Condominium Board may not modify its method of allocations and assessments or increase the number of building employees servicing the Commercial Unit in such a manner as would increase the Common Charges otherwise payable by the Commercial Unit Owners, without the consent of the Commercial Unit Owners.

6.1.2 Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of and any alteration, addition or improvement to, Residential Common Elements or the Residential Limited Common Elements ("Residential Common Expenses") and the rental or purchase of an apartment to be used as the residence of the Building Resident Manager and all costs and expenses associated therewith shall be determined exclusively by the Residential Board and shall be borne solely by the Residential Unit Owners in proportion to their respective Common Interests. Notwithstanding anything to the contrary in this Section 6.1.2, if a Residential Common Element or Residential Limited Common Element benefits only certain Residential Unit Owners, then the costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element or Residential Limited Common Element in the proportion that the Common Interest of each benefiting Residential Unit Owner bears to the Common Interest of all benefiting Residential Unit Owners. In addition, except as otherwise provided in the By-Laws, such Residential Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for

such operation, maintenance and repair, of any such Residential Common Element or Residential Limited Common Element at their sole cost and expense. Residential Common Expenses shall include, without limitation, such amounts as the Residential Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Residential Common Elements or the Residential Limited Common Elements. Residential Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Residential Common Expenses. The Residential Board shall from time to time and at least annually prepare a budget to meet Residential Common Expenses and shall allocate and assess to 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 ("Residential Common Charges") to meet (a) Residential Common Expenses and (b) the Residential Unit Owners' pro rata share of General Common Charges. Such budgets shall include such amounts for reserves as the Residential Board deems appropriate. From time to time the Residential Board may increase or decrease the amount of Residential Common Charges payable for a fiscal year or any portion thereof to meet a revised estimate or determination of Residential Common Expenses for such fiscal year or any portion thereof. In addition to basing charges on Common Interests, the Residential Board may also make allocations and assessments of Residential Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of law. The Residential Board shall advise all Residential Unit Owners promptly in writing of the amount of Residential Common Charges payable by each of them and shall furnish copies of each annual budget to all Residential Unit Owners and Permitted Mortgagees thereof. In the event that the annual receipts levied against Unit Owners during the first year of Condominium operation commencing on the date of First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of $100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Sponsor during the first year of condominium operation will be distributed by the Condominium Board to Sponsor and the Residential Unit Owner(s) in proportion to the amount of time the Sponsor and each Residential Unit Owner owned such Unit.

6.1.3 Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, Commercial Common Elements or Commercial Limited Common Elements ("Commercial Common Expenses") shall be determined by the Commercial Board and shall be borne solely by the Commercial Unit Owners. Notwithstanding anything to the contrary in this Section 6.1.3, if a Commercial Common Element or Commercial Limited Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Common Element or Limited Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation,

maintenance and repair, of any such Commercial Common Element or Commercial Limited Common Element at their sole cost and expense. Commercial Common Expenses shall also include such amounts as the Commercial Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Commercial Common Elements, and such amounts, determined by the Commercial Board as may be required for the purchase, lease or sublease by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, of any portion of a Commercial Unit whose owner has elected to sell, lease, transfer or convey such portion of the Unit or which is to be sold at a foreclosure or other sale. Commercial Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Commercial Common Expenses. The Commercial Board shall from time to time and at least annually prepare a budget to meet Commercial Common Expenses and shall allocate and assess to the Commercial Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Commercial Common Charges") to meet (a) Commercial Common Expenses, and (b) the Commercial Unit Owner' pro rata share of General Common Charges. Such budgets shall include such amounts for reserves as the Commercial Board deems appropriate. In addition to basing charges on Common Interests, the Commercial Board may also make allocations and assessments of Commercial Common Expenses in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of law. The Commercial Board shall advise all Commercial Unit Owners promptly in writing of the amount of Commercial Common Charges payable by each of them and shall furnish copies of each budget on which such Commercial Common Charges are based to all Commercial Unit Owners and Permitted Mortgagees thereof.

6.1.4 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any General Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Condominium Board as agent for and on behalf of the Unit Owners, or forming a part of or included in any Residential or Commercial Limited Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by (i) the Residential Board if a Residential Limited Common Element is involved, as agent for and on behalf of the Residential Unit Owners or (ii) the Commercial Board if a Commercial Limited Common Element is involved, as agent for an on behalf of the Commercial Unit Owners. Notwithstanding any provision contained in these by-laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the building be deemed to be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.1.5 Common Expenses shall include real estate taxes on the Property until the Units are separately assessed.

6.1.6 Notwithstanding anything to the contrary herein, no part of the net earning of the Condominium may inure (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Unit Owner or individual.

6.2 **Insurance.**

6.2.1 The Condominium Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, each of the Boards and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the building (exclusive of foundation and footings), said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) rent insurance in an amount equal to Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all Boards and all officers, directors, managing agents and employees of the Condominium, the Residential Section, and the Commercial Section; (i) directors and officers liability insurance; and (j) such other insurance as the Condominium Board may determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a General Common Expense and shall be borne by the Residential Unit Owners and the Commercial Unit Owner in such proportions between them, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or other such parties designated by the Condominium Board). If any such insurance carrier, agent, broker or other party fails to make such determination and the Residential Board and the Commercial Board fail to agree on a determination or if either disagrees with any such determination made by such insurance carrier, agent, broker or other party or if there is any other dispute under this Subsection 6.2.1, the matter shall be determined by Arbitration.

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by (a) the Residential Board if the loss involves only the Residential Section, (b)the Commercial Board if the loss involves only the Commercial Section, (c) the Condominium Board if the loss involves both the Residential Section and the Commercial Section, or the General Common Elements. Insurance proceeds with respect to any loss shall be payable to the Board entitled to adjust such loss, as aforesaid, except that the proceeds of all policies of physical damage insurance, if in excess of $1,000,000, shall be payable to a New York City bank or trust company designated by the Condominium Board as Insurance Trustee (as hereinafter defined) pursuant to the provisions of 12.5. Any dispute between or among the Boards under this Subsection 6.2.2 shall be determined by Arbitration.

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

be delivered to all Unit Owners and Permitted Mortgagees at least thirty (30) days prior to expiration of the then current policies.

6.2.4 The Condominium Board shall also be required to obtain and maintain, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as such Board may from time to time determine, covering (i) each Board, the managing agent or agents thereof, each Board member, and each officer and employee of the Condominium and Residential and Commercial Section, (ii) the Commercial Unit Owners, all officers, directors and employees thereof, and its managing agent or agents and each Residential Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit or within the Limited Common Elements, if any, exclusive to his Unit. The Condominium Board shall review such limits once each year. The insurance required in accordance with this Subsection 6.2.4 shall also cover cross-liability claims of one insured against another.

6.2.5 Any insurance maintained by the Condominium Board may provide for such deductible amounts as such Board determines.

6.2.6 The Condominium Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum coverage as established by the Condominium Board from time to time and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the apartment or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. The Condominium Board and the Managing Agent shall not be responsible for ensuring that Unit Owners are insured and shall have no liability for the failure of a Unit Owner to have insurance. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

6.2.7 Any insurance on the Commercial Section obtained by the Condominium Board shall be subject to the approval of the owners of the Commercial Unit, which approval shall not be unreasonably withheld or delayed. In the event the owners of the Commercial Unit require more expensive insurance, the increased cost shall be borne by the owners of the Commercial Unit.

6.3 **Repair or Reconstruction after Fire or Other Casualty.**

6.3.1 In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty (unless three-fourths or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Residential Board with respect to any damage to or destruction of the Residential Section, the Commercial Board with respect to any damage to or destruction of the Commercial Section, and the Condominium Board with respect to any damage to or destruction of the General Common Elements, will arrange for the prompt repair and restoration thereof (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit) and the applicable Board 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. If only the Commercial Section (including the Commercial Common Elements or the Commercial Limited Common Elements) is destroyed or damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owners, in proportion to their respective Common Interests, will bear the entire amount of the deficit as a Commercial Common Expense, or shall receive all of the surplus, as the case may be. Similarly, if only the Residential Section (including the Residential Units, Residential Common Elements and/or the Residential Limited Common Elements) is damaged or destroyed by fire or other casualty and the insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be borne as a Residential Common Expense or profit, respectively, and shared entirely by all Residential Unit Owners in proportion to their respective Common Interests. If said damage or destruction by fire or other casualty affects the Commercial Section, the Residential Section and the General Common Elements, or any combination of two thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Residential Section, Commercial Section and General Common Elements, as the case may be, bears to the total cost of repairing all damage or destruction. However, the Commercial Board shall still have the right to make all arrangements for the prompt repair and restoration of the Commercial Unit to the extent they are affected by such damage or destruction. If said damage or destruction, however, affects only the General Common Elements, then any deficit or surplus in insurance proceeds shall be borne as a General Common Expense or profit, respectively, as provided in 6.1.1 or shared by all Unit Owners in proportion to their Common Interests. Any surplus payable to any Unit Owner pursuant to this Subsection 6.3.1 shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order or priority of such liens.

6.3.2 If three-fourths or more of the Building is destroyed or substantially damaged and if 75% or more in Common Interest of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his share of such funds, such amounts as may be necessary to discharge or reduce all unpaid liens on his Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. As used in this Section 6.3, the words "promptly resolve"

mean resolve as promptly as practical under the circumstances but in any event, not more than 60 days from the date of such damage or destruction.

6.3.3 Any dispute between or among any Boards arising under this Section 6.3 shall be determined by Arbitration.

6.4 **Payment of Common Charges.**

6.4.1 The Residential Unit Owners and the Commercial Unit Owner shall be obligated to pay to the Condominium Board the General Common Charges assessed to them by the Condominium Board pursuant to the provisions of Section 6.1 at such time or times as the Condominium Board determines. All Residential Unit Owners and the Commercial Unit Owner shall be obligated to pay Residential or Commercial Common Charges, as the case may be, assessed by the Residential and Commercial Boards pursuant to the provisions of Section 6.1 at such time or times as such Boards determine. Unless otherwise determined by the Board to which they are payable, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a sale or other conveyance by him or her (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages and the statutory lien for unpaid Common Charges, and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then existing with respect to such Unit, convey for no consideration such Unit together with its appurtenant Common Interests, to the Residential or Commercial Board or the Condominium Board or their designees, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Residential or Commercial Common Charges or General Common Charges, as the case may be, thereafter accruing. A purchaser of a Unit shall not be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him or her of such Unit, except that, to the extent permitted by law, a purchaser of a Unit at a foreclosure sale of a Permitted Mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by law, the Residential Board, on behalf of all Residential Unit Owners, shall have a lien on each Residential Unit for unpaid Residential Common Charges, together with interest thereon, assessed against such Unit. Except to the extent prohibited by law, the Commercial Board, on behalf of all Commercial Unit Owners, shall have a lien on each Commercial Unit for unpaid Commercial Common Charges, together with interest thereon, assessed against such Unit. In addition, except to the extent prohibited by law, the Condominium Board, on behalf of all Unit Owners, shall have a lien for General Common Charges unpaid to it by (i) the Residential Unit Owners, together with interest thereon, on the Residential Unit owned by a non-paying Residential Unit Owner, in proportion to their respective Common Interests, and (ii) the Commercial Unit Owners, together with interest thereon, on the Commercial Unit, in proportion to their respective Common Interests.

6.4.3 All liens provided for in 6.4.2, to the extent permitted by applicable law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.4.4 Notwithstanding 6.4.2, neither the seller nor the purchaser of a Residential Unit shall be liable for, nor shall the Residential Unit be conveyed subject to a lien for, any unpaid Common Charges against such Residential Unit accrued prior to such conveyance in excess of the amount set forth in a written statement from the Residential Board.

6.4.5 In the event that prior to the Units being separately assessed for real estate tax purposes, a Board pays real estate taxes on behalf of a Unit Owner, the amount of such real estate taxes shall be deemed to be Common Charges, and such Board shall have a lien (as provided in Section 6.4.2) for any such accrued and unpaid amounts.

6.5 **Collection of Common Charges**. Each Board shall take prompt action to collect any Common Charges due to such Board which remain unpaid for more than thirty days after the due date for payment thereof. In the event that any Board fails to take such action, another Board in its own name, or, if necessary, in the name of the Board to which such charges are due, may take any action for the collection of such charges which the Board to which such charges are due may have taken, including, without limitation, the institution of such actions and the recovery of interest and expenses as provided in this Article 6.

6.6 **Default in Payment of Common Charges**. In the event any Unit Owner fails to make payment of Common Charges when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of $150.00 or one (1%) percent of such amounts which remain unpaid for more than ten days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by law) on such unpaid amounts computed from the due date, thereof, together with all expenses, including, without limitation, attorneys' fees paid or incurred by any Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by law. All such "late charges", interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, each Board may establish its own alternate fees for late payments, whether such fees are more or less than the charges set forth herein.

6.7 **Foreclosure of Liens for Unpaid Common Charges**. In any action brought by any Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Residential Board, acting on behalf of all Residential Unit Owners, shall have the power to purchase any such Residential Unit, and the Commercial Board, acting on behalf of all Commercial Unit Owners, shall have the power to purchase any such Unit or portion thereof at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit or portion thereof (but not to vote the votes appurtenant to such Unit or portion thereof). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the

net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit. Notwithstanding anything to the contrary set forth above, the Condominium Board and the Residential Board, at the request of Declarant will enter into a recognition agreement with any tenant with which Declarant has entered into a lease for any of the Commercial Unit. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Boards will agree that so long as there is no event of default under said lease, as would entitle the Declarant or any successor landlord under the lease to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Boards lien on a Commercial Unit for Common Charges or any other sums of any sort, and the Boards shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Commercial Unit in question be interfered with, nor shall the leasehold estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Boards, or, in case any Board takes possession of the Commercial Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that any Board or any other party succeeds to the interests of the Declarant under the lease the tenant will agree to be bound to such Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to such Board or party as its landlord.

6.8 **Statement of Common Charges**. Each Board shall promptly provide the other Boards and any Unit Owner who so requests, with a written statement of all unpaid Common Charges due to it from Unit Owners.

6.9 **Maintenance and Repairs**.

6.9.1 Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, (a) in or to any Unit (excluding Common Elements included therein except as otherwise provided in these By-Laws and the entrance doors thereto) shall be made by the owner of such Unit at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements shall be made by the Condominium Board and the cost and expense thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owner as a General Common Expense, (c) in or to the Residential Common Elements shall be made by the Residential Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense, (d) in or to the Commercial Common Elements or the Commercial Limited Common Elements shall be made by the Commercial Board and the cost and expense thereof shall be charged to all Commercial Unit Owners as a Commercial Common Expense.

6.9.2 Notwithstanding the provisions of 6.9.1:

6.9.2.1 In the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner, the entire cost thereof shall be borne by such Unit Owner, (b) the Condominium Board, the entire cost thereof shall be charged to the Residential Unit Owners and

the Commercial Unit Owners as a General Common Expense, (c) the Commercial Board, the entire cost thereof shall be charged to the Commercial Unit Owners as a Commercial Common Expense, or (d) the Residential Board, the entire cost thereof shall be charged to all Residential Unit Owners as a Residential Common Expense, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof

6.9.2.2 The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and the windows may not be modified, altered or replaced without the consent of the Residential Board. The Residential Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants. All normal maintenance, repairs and replacements of any Terrace shall be made by the Residential Unit Owner having access to such Terrace at his or her own cost and expense, but any structural or extraordinary repairs or replacements to such Terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Residential Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense. No plantings, structures or installations may be placed on Terraces or Balconies without the prior written approval of the Residential Board. The Residential Board may require a Residential Unit Owner to remove plantings and other installations placed on Terraces and Balconies by said Residential Unit Owners if the Board determines, in its reasonable discretion, that such plantings and other installations adversely affect the integrity of the surface beneath the Terrace.

6.9.2.3 The exterior surface of all windows in the Residential Section, if so determined by the Residential Board, shall be washed and cleaned by such Board and the cost and expense thereof shall be a Residential Common Expense. Otherwise, the exterior of all windows in the Residential Section shall be washed or cleaned at the cost and expense of the Residential Unit Owner. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Commercial Unit shall be washed and cleaned by the Unit Owner or occupant thereof at his sole cost and expense.

6.9.2.4 The exterior of all front doors of Residential Units shall not be painted or decorated other than in accordance with the standard for the Residential Section.

6.9.2.5 Any repairs or maintenance work performed with respect to the HVAC units in each Residential Unit shall only be performed by a company or individual previously approved by the Residential Board.

6.9.2.6 Repairs to and replacement of the roof shall be made by the Residential Board as a Residential Common Expense except such repairs or replacements necessitated by negligence caused by the owner of the Roof Unit.

6.9.3 Each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to the roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good, clean and neat appearance, in conformity with the dignity and character of the Building, by (a) each

Board with respect to such parts of the Building required to be maintained by it, (b) the Commercial Unit Owner with respect to the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in the respective Commercial Unit, and (c) each Residential Unit Owner with respect to the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit.

6.9.4 In the event of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building or other persons, or required to avoid the suspension of any necessary service in the Building) (i) affecting the Residential Section, Commercial Section employees will assist Residential Section employees, and (ii) affecting the Commercial Section, Residential Section employees will assist Commercial Section employees and the costs thereof shall be appropriately allocated to the Section receiving the benefit of such assistance.

6.10 **Violations of Maintenance Obligations.**

6.10.1 In the event that any Residential Unit Owner, within a reasonable time after receipt of written notice from the Residential Board, fails to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Article 6 or of any Limited Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Residential Board may, but shall not be obligated to, perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Residential Unit Owner, within thirty (30) days after receiving notice of such default from the Residential Board, 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 by the Residential Board, together with interest thereon at the rate of 2% per month from the date on which such Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by such Residential Unit Owner to such Board and shall, for all purposes hereunder, constitute Common Charges payable by such Residential Unit Owner.

6.10.2 In the event that any Commercial Unit Owner fails or neglects in any way to perform any obligation with respect to the painting, decorating, maintenance, repair or replacement of such Unit Owner's portion of the Commercial Unit, the Commercial Board may, but shall not be obligated to, perform or cause to be performed any such painting, decorating, maintenance, repair or replacement provided that (a) the Commercial Board gives the Commercial Unit Owner written notice that such repair or replacement is necessary and that the Commercial Board will complete such repair or replacement in the event the Commercial Unit Owner does not promptly act or complete the repair or replacement, and (b) the Commercial Unit Owner, within ten (10) days after receiving such notice, fails to cure its default, or in the case of a default not reasonably susceptible to cure within such period, fails to commence and to thereafter prosecute 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 by the Commercial Board, together with interest thereon at the rate of 2% per month from the date on which the Commercial Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by law) shall be payable by such Commercial Unit Owner to the Commercial Board and shall, for all

purposes hereunder, constitute Commercial Common Charges payable by such Commercial Unit Owner. The Commercial Board shall have the right, in the event that the Commercial Unit Owner disputes the amount of such payment or whether the Commercial Unit Owner is obligated to pay the same, to submit such dispute to Arbitration. The Commercial Unit Owner shall pay the cost of such repair or replacement only after a determination by Arbitration to the effect that (i) the repair or replacement was required to be performed by the Commercial Unit Owner, (ii) the Commercial Unit Owner failed to perform such repair or replacement, and (iii) the cost of such repair or replacement by the Commercial Board was reasonable. Any repair or replacement performed by the Commercial Board in accordance with the terms of this Subsection 6.10.2 shall be its sole responsibility with respect to the quality of such repair or replacement and the proper completion thereof. The Commercial Board shall indemnify the Commercial Unit Owner and hold it harmless from and against any claims, costs, expenses or liabilities whatsoever, including reasonable counsel fees, in any way incurred by the Commercial Unit Owner, in connection with the manner of completion of such painting, decorating, maintenance, repair or replacement by the Commercial Board of any defect described herein (but not for the existence of the condition requiring such repair or replacement).

6.10.3 In the event that any Board (a "Defaulting Board") after written notice by another Board (the "Performing Party") fails in any way to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of any part of the Building required to be maintained by the Defaulting Board or any Residential Unit Owner if the Defaulting Board is the Residential Board or any Commercial Unit Owner if the Defaulting Board is the Commercial Board, the Performing Party may, but shall not be obligated to, perform or cause to be performed, all such painting, decorating, maintenance, repair or replacement unless the Defaulting Board, within thirty (30) days after receiving written notice of such default, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences (including the initiation of action under 6.10.1 or 6.10.2) and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred by the Performing Party in connection with the making of any such painting, decorating, maintenance, repair or replacement, together with interest thereon at the rate of 2% per month from the date on which the Performing Party first incurs any cost or expense (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by the Defaulting Board to the Performing Party. In addition, all such sums shall, for all purposes hereunder, be payable by the Residential Unit Owners and the Commercial Unit Owner as General Common Charges, if the Defaulting Board is the Condominium Board. If the Defaulting Board is the Residential or Commercial Board, all such sums, for all purposes hereunder, shall be payable by Residential Unit Owners or Commercial Unit Owners as Residential or Commercial Common Charges, as the case may be.

6.11 **Structural Alterations, Additions, Improvements and Repairs of Units.**

6.11.1 Except as otherwise provided in the Declaration, no Unit Owner shall make any structural alteration, addition, improvement or repair in or to his or her Unit without the prior written approval of the Residential Board for Residential Units, or the Commercial Board for Commercial Unit. Such Boards shall have the obligation to answer any written request by their respective Unit Owners for approval of a proposed structural alteration, addition, improvement or repair in or to such Unit Owner's Unit within 45 days after such request is received, and the failure to do so within the stipulated time shall constitute such Board's consent

to the proposed alteration, addition, improvement or repair. Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, each Board may exercise the right to reasonably approve the Unit Owner's contractors and suppliers, and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to such Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. The Board may impose fees upon a Unit Owner to reimburse the Condominium for its costs incurred in reviewing or supervising the aforesaid work. Notwithstanding anything to the contrary contained in this 6.11.1, neither Declarant or its designee nor a Permitted Mortgagee (or its designee) of Declarant or its assignee shall be required to obtain the approval of any Board for any structural alteration, addition, improvement or repair in or to Unsold Residential Units or the Commercial Unit or enter into any alteration agreement with respect thereto.

6.11.2 All structural alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any structural alteration, addition, improvement or repair shall agree, and shall be deemed to have agreed, to hold each Board and all other Unit Owners harmless from any costs or liability arising therefrom.

6.11.3 Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition, improvement or repair in or to any Unit so approved by the appropriate Board shall, if required by law or such department or authority, be executed by said Board or, if required, by the Condominium Board, provided that no Board shall incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, materialman, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom. Notwithstanding anything to the contrary set forth above, Declarant is hereby authorized on behalf of the Boards to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units, Commercial Unit and Common Elements as Declarant is entitled to perform in accordance with the terms of the Declaration and these By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the "Required Documentation") and, the appropriate Board, if requested by Declarant, shall execute the Required Documentation.

6.11.4 In the event that any alterations, additions, improvements or repairs made by any Residential Unit Owner materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance or reissuance of a temporary or permanent certificate of occupancy for other Units or the building, then upon the written request of Declarant, the Condominium Board or any other Board whose Unit Owners are affected, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the Declarant or the Board, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

6.11.5 Until such time as the initial construction of the building is complete, including the completion of "punch list" work, no Board or Unit Owner shall use or suffer to be used in any part of the Buildings any labor forces incompatible with the labor forces which are completing the construction of the building on behalf of Declarant. In addition, the prosecution of the work necessary to complete initial construction of the building, including the completion of "punch list" work by or on behalf of Declarant, shall take precedence over the prosecution of any other work at the Buildings.

6.12 **Alterations, Additions, Improvements or Repairs to Common Elements.** Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, improvements or repairs in or to any General or Limited Common Element shall be made by the Board or Unit Owner(s) required to maintain such General or Limited Common Element and the cost and expense thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owner as a General Common Expense, to all Residential Unit Owners or Commercial Unit Owners as Residential or Commercial Common Expense, or to the Unit Owner(s) responsible therefor, as the case may be. Whenever in the judgment of the Residential Board, the Commercial Board or the Condominium Board, as the case may be, the cost of any alteration, addition, or improvement would exceed $100,000 in the aggregate in any calendar year (except if such alteration, addition, or improvement is provided for in a duly approved budget), then such proposed alteration, addition, or improvement shall not be made unless first approved by a Majority of Residential Unit Owners, a Majority of Commercial Unit Owners, or a Majority of Unit Owners, as the case may be, who shall be required to bear the cost and expense thereof as aforesaid with respect to alterations, additions, or improvements made by the Residential or Commercial Board, respectively. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, or improvements costing in the aggregate $100,000 or less in any calendar year may be made as aforesaid without the approval of the Unit Owners. Required repairs to the Common Elements including replacement of existing elements of the Building shall be made by the respective Board in their own discretion regardless of the cost.

6.13 **Alterations of Certain Common Elements.**

6.13.1 In the event that pursuant to any of the provisions of these By-Laws, any consent by any Board or Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (sometimes collectively referred to in this Section 6.13 as an "Alteration"), proposed to be made by Declarant or its designee, Unit Owners or any Board (sometimes collectively referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by such Board or Unit Owner (referred to in this Section 6.13 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Alteration. If the Opposing Party does not give notice of any objection to the Proponent within 30 days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Alteration. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Opposing Party) within such 30-day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent, as its sole remedy, may make the proposed Alteration. In no event shall any arbitrator in such Arbitration determine that the

Opposing Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Alteration to be paid by it, and (ii) that all costs and expenses for maintaining and repairing such Alteration after its completion will not be charged to Unit Owners represented by the Opposing Party as Common Expenses (b) the proposed Alteration would not materially interfere with the use and enjoyment of the owners, tenants and occupants of those Units represented by the Opposing Party; and (c) the proposed Alteration would not materially weaken the structure of the building.

6.13.2 Nothing contained in 6.13.1 shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as such Proponent believes will meet the objections of the Opposing Party or of any arbitrator, or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Opposing Party's approval.

6.14 **Restrictions on Use of Units**.

6.14.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, each Residential Unit shall be used as described below.

6.14.1.1 A Residential Unit may be used for any purpose permitted by law, provided such use (1) does not violate the then existing certificate of occupancy for such Residential Unit, (2) does not adversely affect the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, and (3) complies with all applicable governmental regulations.

6.14.1.2 No portion of a Residential Unit (other than the entire Unit) may be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this Subsection 6.14.1) may be accommodated therein.

6.14.1.3 Each Unit Owner shall notify the Managing Agent in writing when a child or children under the age of ten (10) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent. Please see the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Boards of Managers" for further details.

6.14.2 Notwithstanding the provisions of 6.14.1, Declarant or its designee may, without the permission of the Residential Board, (a) grant permission for the use of any Unsold Residential Unit as a professional office or for any purpose, provided such use is permitted by law, does not violate the Deed Restrictions, does not violate the then existing certificate of occupancy for such Residential Unit and the user of such Unit complies with all applicable governmental regulations. and (b) use any Unsold Residential Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to the provisions of the Declaration and these By-laws and in compliance with applicable governmental laws and regulations.

6.14.3 The Condominium Board may, in its sole discretion, consent to the use of a Residential Unit as a professional or business office or for any purpose provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of

Occupancy covering the Building. Any such consent shall be in writing and shall be personal to such Unit Owner. Any lessee of, or successor in title to, such Unit Owner shall be required to obtain the prior written consent of the Condominium Board before using such Unit for any purpose other than that set forth in paragraph 6.14.1.

6.14.4 Each Storage Bin shall be used only for storage purposes, in compliance with Law. No articles or materials which pose a threat to the health or safety of the Unit Owners or the Building, or that cause noxious odors, dirt or other sanitary problems or otherwise create a nuisance, shall be permitted to be brought into or stored in any Storage Bin. Except for Sponsor, a Storage Bin cannot be owned independently of a Residential Unit.

6.14.5 Each Storage Bin Licensee shall pay a monthly fee to the Condominium equal to the square footage of the Storage Bin multiplied by the common charge per square foot paid by the Residential Unit Owners on the Third Floor of the Condominium as that number is adjusted from time to time.

6.15 **Use of Common Elements.**

6.15.1 Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other parts of the General or Limited Common Elements other than in (a) Residential Limited Common Elements for the exclusive use of a particular Residential Unit Owner or (b) in the areas designated as storage areas, without the prior consent of the Residential Board as to the Residential Common Elements, the Commercial Board as to Commercial Common Elements or Commercial Limited Common Elements or the Condominium Board as to General Common Elements. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3 Residential Unit Owners shall require their tradesmen to utilize exclusively the elevator and entrance designated by the Residential Board for transporting packages, merchandise or other objects.

6.15.4 Except pursuant to rules adopted by the Condominium Board, which may not be adopted or amended without the Commercial Board's consent, and the terms and provisions of the Declaration and these by-laws, in no event shall the Condominium Board or Unit Owners impair, restrict or impede the use of the General Common Elements described in the Declaration, by the Commercial Unit Owners or anyone claiming by, through or under the Commercial Unit Owner including, but not limited to, the tenants and occupants of any portion of the Commercial Unit or their respective licensees or invitees.

6.15.5 The owner of any two or more Residential Units, which Units are serviced or benefited by any Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any residential hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, to the extent permitted by law and with the consent of the Residential Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such Common Element as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made, provided such owner

agrees, at its sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner ceases to exercise such exclusive right of use. The owner of any such Units which are Unsold Residential Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board. Notwithstanding the above, if an owner transfers or conveys his or her Residential Unit to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

6.16 **Other Provisions as to Use**. No nuisance shall be allowed in the Residential Section nor shall any use or practice be allowed in the Residential Section which is a source of annoyance to the residents or occupants of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive or unlawful use shall be made of the Residential Section or any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property shall be complied with at the full expense of the respective Unit Owners or the Boards, whoever shall have the obligation to maintain or repair such part of the Property. Except as otherwise provided in the Declaration and Section 6.14.3, the Commercial Section may be used for any lawful purpose; and no sale, lease, sublease or use of all or any portion of the Commercial Section shall be deemed to adversely affect the Residential Section.

6.17 **Right of Access**.

6.17.1 A Residential Unit Owner shall grant a right of access to his or her Unit to the Declarant for the completion of the Building including but not limited to any punch list work in such Unit Owner's Unit, and to each of the Boards, the managing agents, managers, Resident Manager and/or any other person authorized by any of the foregoing. The Residential Unit Owners and the Commercial Unit Owner shall grant a right of access to each of the Boards, the managing agents, managers, Resident Manager and/or any other person authorized by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the General or Limited Common Elements or any other part of the Property, or for the purpose of curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in his or her Unit and threatening another Unit or all or any part of the General or Limited Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the General or Limited Common Elements within his or her Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the General or Limited Common Elements, his or her Unit or any other Unit in the building or to correct any condition which violates the provisions of any Permitted Mortgage covering another Unit, provided that requests for such entry are made not less than one day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes. In case of an emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

6.17.2 A Unit Owner shall grant a right of access to his or her Unit, and the Boards shall grant rights of access to the General Common Elements and the respective Limited

Common Elements to Declarant and its contractors, subcontractors, agents and employees, for the completion of punch list work, provided that access thereto shall be exercised upon reasonable notice during reasonable hours in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

6.18 **Rules and Regulations**. Annexed hereto as Schedule A and made a part hereof are rules and regulations (the "Residential Rules and Regulations") concerning the use of the Residential Common Elements and the Residential Limited Common Elements. The Residential Board may from time to time, modify, amend or add to the Residential Rules and Regulations except that a Majority of Residential Unit Owners may overrule such Board with respect to any such modification, amendment or addition. The Residential Board shall also have the authority to promulgate special rules and regulations concerning the use of storage space, if any, for the personal property of the Residential Unit Owners. The Commercial Board may adopt and from time to time, modify, amend or add to reasonable rules and regulations (the "Commercial Rules and Regulations") concerning the use of the Commercial Unit, the Commercial Common Elements and the Commercial Limited Common Elements, except that a Majority of Commercial Unit Owners may overrule said Board with respect to any adoption, modification, amendment or addition and provided further that the Commercial Unit Owners having exclusive access to the Commercial Limited Common Elements, may overrule said Board with respect to any adoption, modification, amendment or addition affecting such Commercial Unit Owners. The Condominium Board may adopt and from time to time, modify, amend or add to reasonable rules and regulations (the "General Rules and Regulations") concerning the use of the General Common Elements, except that a Majority of Unit Owners may overrule said Board with respect to any such adoption, modification, amendment or addition. As used herein, the term "Rules and Regulations" shall mean a collective reference to the Residential Rules and Regulations, Commercial Rules and Regulations, and General Rules and Regulations, together with all modifications, amendments or additions thereto. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto, shall be furnished by the Board responsible therefor to each affected Unit Owner not less than 30 days prior to the effective date thereof.

6.19 **Real Estate Taxes, Water Charges and Sewer Rents**. Water and sewer services shall be supplied to and for all of the Units and the Limited Common Elements through one or more building systems by the City of New York. Except to the extent Unit Owners are billed directly by the City Collector, the Condominium Board shall pay all such charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. The remaining costs for the Building will be paid by the Residential Unit Owners and included in Residential Common Charges. Until the Units are separately assessed for real estate tax purposes, the Residential and the Commercial Unit Owner shall pay their respective pro rata share of all real estate taxes with respect to the Property (in the proportion that the Common Interest of all Residential Units or Commercial Unit, as the case may be, bears to the Common Interests of all Units) to the Condominium Board as Common Charges, which will in turn pay such taxes to the proper authorities of The City of New York. In the event of a proposed sale of any Residential Unit, the Residential Board, on request of the selling Residential Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title insurance company, a letter agreeing to pay all charges for water, sewer rents and real estate taxes (so long as such Board is still collecting and paying such charges) affecting such owner's Unit to the date

of the closing of title to such Unit, promptly after such charges have been billed by the proper authorities.

6.20 **Heat**. The costs incurred by the Condominium Board for heating and cooling the Building shall be allocated to the Residential and the Commercial Unit Owner as a General Common Charge.

6.21 **Gas**. Gas for the Residential Section will be supplied from the Con Edison gas distribution system. The cost of gas consumed in the Residential Section will be borne by the Residential Unit Owners as a Residential Common Charge. Gas consumed in the Commercial Section will be separately metered and billed directly to each Commercial Unit Owner utilizing gas.

6.22 **Electricity**.

6.22.1 Electricity for each Residential and Commercial Unit (including tenants occupying portions of the Commercial Unit) is supplied through a separate electric submeter for each Unit (or portion thereof). Each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit (or portion thereof) either to the appropriate Board or to the utility company as directed by such Board. Electricity for the Residential Limited Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Residential Board and will be borne by the Residential Section Unit Owners as a Residential Common Charge.

6.22.2 No Unit Owners will be charged an amount (including any charge for billing costs) which exceeds the rate contemporaneously paid by customers who are served directly by the utility company and who are in the service classification that would be applicable if the Unit Owners were served directly by the utility company.

6.22.3 A Unit Owner who has a complaint about his or her submetered electricity bill shall first attempt to resolve any dispute regarding electrical service or charges with the Managing Agent. If a satisfactory resolution is not obtained then a Unit Owner shall bring said complaint in writing before the Condominium Board and shall send a copy of the complaint to the Managing Agent. If the Condominium Board is unable to provide a satisfactory resolution to the Unit Owner within 30 days after the Condominium Board receives the complaint, then the complainant will be provided written notice of the grievance procedure rules summarized below and the complaint shall be submitted to arbitration proceedings which shall be conducted in accordance with the rules of the American Arbitration Association. The cost of such arbitration shall be paid by the Condominium Board. The American Arbitration Association shall be asked to appoint the arbitrator.

6.22.4 The arbitrator shall be obliged to provide a full and fair hearing within 15 days of the filing of the compliant with the arbitrator, unless the Unit Owner requests a longer period to prepare his case. At the hearing both sides may be represented by counsel or other designated persons, produce witnesses, submit documentary evidence and cross-examine adverse witnesses. The arbitrator shall be obligated to issue a written decision specifying the grounds for its decision and evidence relied upon therein, within 10 days of the hearing. The decision of the arbitrator shall be binding on all parties to the proceeding, and shall not be appealable. Records on all such complaints and decisions shall be maintained by the Condominium Board for at least 3 years from the date the complaint is first brought.

6.22.5 Notwithstanding the fact that a Unit Owner has filed a complaint about an electricity bill or that an arbitration is pending or proceeding, the complaining Unit Owner must continue to pay his or her electricity bill to the Condominium Board or its agent. Failure to make any payment when due may subject the Unit Owner to penalties and/or interest charges, as the same may be established, from time to time by the Condominium Board. Any refund due a complaining Unit Owner will be paid or credited to such Unit Owner by the Condominium Board or its agent promptly upon receipt by the Condominium Board or its agent of such payment or credit from the utility company.

6.22.6 Rates and charges to be paid by Unit Owners shall be based on the actual cost of the energy consumed. The Condominium Board or its agent may charge the Unit Owner the actual cost of providing an electricity billing statement charged by the Managing Agent or a submetering company. The capital and repair costs of the electronic submetering equipment will not be passed on to Unit Owners as part of their individual charges for electrical service. The capital costs of submetering the Property have been included in the Purchase Price for each Unit. Any costs for repair of the submetering system will be treated as a Residential Common Expense of the Condominium and paid for through Residential Common Charges.

6.22.7 Nothing contained herein shall preclude the Condominium Board, on behalf of Unit Owners, from filing a complaint concerning electricity provided to the Property with the Public Service Commission.

6.23 **Utilities Serving the General Common Elements**. Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, electricity and gas serving or benefiting any General Common Element shall be (a) considered part of the expense of maintaining such General Common Element, (b) determined by the Condominium Board, and (c) charged to the Residential Unit Owners and the Commercial Unit Owner as a General Common Expense. Any dispute as to the amount of such cost or expense shall be determined by Arbitration.

6.24 **Abatement and Enjoinment of Violations by Unit Owners.**

6.24.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give (a) the Condominium Board with respect to matters affecting the General Common Elements, (b) the Residential Board with respect to matters affecting the Residential Section, and (c) the Commercial Board with respect to matters affecting the Commercial Section, the right, in addition to such other rights set forth in these By-Laws, (i) to enter any Residential Unit or Commercial Unit or General or Limited Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and such Board shall not thereby be deemed guilty or liable in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

6.24.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant or its designee shall give to Declarant and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or

remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

ARTICLE 7

MORTGAGES

7.1 **Notice to Boards**. A Unit Owner who mortgages his or her Unit, or the holder of any mortgage encumbering such Unit, shall notify the Residential Board in the case of a Residential Unit or the Commercial Board in the case of all or a portion of any Commercial Unit, of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with such Board. Such Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against his or her Unit other than Permitted Mortgages. A Unit Owner who satisfies a mortgage covering his or her Unit shall so notify the applicable Board and shall file a conformed copy of the satisfaction of mortgage with such Board. Each of such Boards shall maintain such information in a book entitled "Mortgages of Units."

7.2 **Notice of Default and Unpaid Common Charges**. Whenever so requested in writing by a Permitted Mortgagee, the Residential Board with respect to Permitted Mortgagees of Residential Units and the Commercial Board with respect to Permitted Mortgagees of any Commercial Unit, shall promptly report to such Permitted Mortgagee any default in the payment of Residential Common Charges or Commercial Common Charges, as the case may be, or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws which may to such Board's knowledge then exist. Each Board, when giving notice to a Unit Owner of any such default, shall, if requested, also send a copy of such notice to any Permitted Mortgagee thereof.

7.3 **Performance by Permitted Mortgagees**. The Residential Board, Commercial Board or Condominium Board, as the case may be, shall accept, by any Permitted Mortgagee of a Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner.

7.4 **Examination of Books**. Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium (including, in the case of Residential or Commercial Unit Owners and Permitted Mortgagees thereof, the books of account of the Residential Section or the Commercial Section, as the case may be) at reasonable times, on business days, but not more than once a month.

7.5 **Representatives of Mortgagees.**

7.5.1 In the manner more particularly set forth in 7.5.2, the holders of Institutional Residential Mortgages or Institutional Commercial Mortgages (as both are hereinafter defined) may, at their election, designate one or more (but not more than three) representatives ("Residential Mortgage Representatives" or "Commercial Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Residential or Commercial Mortgages, as the case may be, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Residential or Commercial Mortgage Representatives are so designated and notice thereof is given to the

Residential or Commercial Board, as appropriate, the act of any such Representative (or a majority of such Representatives if more than one is so designated) shall be deemed binding upon the holders of all Institutional Residential or Commercial Mortgages, as the case may be. As used herein, the term and "Institutional Residential Mortgage" means an Institutional Mortgage (defined below) covering a Residential Unit or Units and the term "Institutional Commercial Mortgage" means an Institutional Mortgage covering all or a portion, of any Commercial Unit. As used herein the terms "Permitted Mortgage" and "Institutional Mortgage" means any first mortgage covering a Unit or Units, the initial holder of which is (i) Declarant or its designee, (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust, commercial bank, investment bank, or any other financial institution organized under the laws of the United States or any state thereof, (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, (iv) any opportunity or other fund, or institutional investor investing in mortgages, (v) any transferee or assignee, purchaser in a foreclosure sale, transferee pursuant to a deed-in-lieu of foreclosure, nominee or designee of any of the foregoing, or (vi) any affiliate of any of the foregoing.

7.5.2 Any designation of a Residential Mortgage Representative or a Commercial Mortgage Representative made by the holders of Institutional Residential or Commercial Mortgages, respectively, constituting a majority in principal amount of all Institutional Residential Mortgages or Institutional Commercial Mortgages, respectively, shall be binding upon the holders of all Institutional Residential or Commercial Mortgages, as the case may be. Any such designation of any Residential or Commercial Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the appropriate Board. Unless otherwise required by law, all Permitted Mortgagees other than holders of an Institutional Residential Mortgage or Institutional Commercial Mortgage, shall have no right to participate in the selection of Residential or Commercial Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Residential or Commercial Mortgage Representatives, as the case may be, pursuant to the Declaration or these By-Laws.

7.5.3 Residential Mortgage Representatives and Commercial Mortgage Representatives shall be permitted to attend any Annual or Special Meeting of the Unit Owners and receive copies of the Condominium's annual Financial Statements.

7.6 **Consent of Mortgagees**. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of any Board, officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his mortgagor.

ARTICLE 8

SELLING, LEASING AND MORTGAGING OF UNITS

8.1 **Selling and Leasing**. No Residential Unit Owner, other than Declarant or its designee may sell or lease his or her Residential Unit except by complying with the following provisions:

8.1.1 Any Residential Unit Owner who receives a bona fide offer to (a) purchase his or her Residential Unit together with its appurtenant Common Interest, or (b) lease his or her Residential Unit (such offer to purchase or lease a Residential Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror" and the Residential Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which he or she intends to accept, shall give notice by certified or registered mail, return receipt requested, to the Residential Board of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as such Board may reasonably require. The giving of such notice to the Residential Board, on behalf of all the Unit Owners represented by such Board, shall constitute an offer by such Unit Owner to sell his or her Residential Unit together with its appurtenant Common Interest or to lease his or her Residential Unit to such Board, or its designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Residential Unit Owner who has received such Outside Offer to such Board acting on behalf of all Residential Unit Owners that such Residential Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as such Board may reasonably request. Not later than twenty (20) days after receipt of such notice together with such information as may have been requested, such Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by hand delivery or by certified or registered mail, return receipt requested, to purchase such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Unit Owners represented by such Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner.

8.1.2 In the event the Residential Board shall timely elect to purchase a Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, title shall close at the office of the attorneys for such Board, in accordance with the terms of the Outside Offer, within 45 days after the giving of notice by such Board of its election to accept such offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed and deemed effective on the date such Board elects to accept such offer. Notwithstanding the foregoing, in the event that the closing date with respect to a purchase or the commencement date of the term of the lease, as the case may be, set forth in the Outside Offer, shall be later than 45 days after the giving of notice by such Board of its election to accept the aforesaid offer, such Board shall be required to perform or cause to be performed all of the terms of the Outside Offer (except as otherwise expressly set forth in this Article 8) including, but not limited to, payment of a downpayment or advance rentals and security deposits, as the case may be, and such closing of title or the commencement of the term of the lease shall be the date set forth in the notice to such Board referred to in 8.1.1 as the intended closing date or commencement date, as the case may be. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board may purchase the Residential Unit and assume or take title to the Residential Unit subject to said existing mortgage or

mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Residential Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Residential Board, or to its designee, corporate or otherwise, on behalf of all 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 tax and/or documentary stamps affixed at the expense of such Offeree Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Board, or its designee, corporate or otherwise, as of the closing date. In the event such Residential Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board, or to its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Board, or its designee, corporate or otherwise, as tenant, covering such Residential Unit, for the rental and term contained in such Outside Offer.

8.1.3 In the event the Board or its designee shall fail to accept such offer within 20 days after receipt of notice, as aforesaid, the Offeree Unit Owner shall have an additional 60 days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Unit Owner shall accept the Outside Offer within such 60-day period but such sale or lease, as the case may be, shall not be consummated within an additional 60 days following the expiration of such 60-day period, then, should such Offeree Unit Owner thereafter elect to sell such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, the Residential Board, in its discretion, may waive the Offeree Unit Owner's obligation to comply with either or both of the 60 day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

8.1.4 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

8.1.5 Notwithstanding anything contained in this Article 8 to the contrary, the Residential Board shall have the right to reject the purchase or lease of a Residential Unit without the necessity of exercising a right of first refusal if the purchaser or lessee of a Residential Unit or a person who will be residing in their unit has diplomatic immunity or has been convicted of a violent crime or child molestation.

8.1.6 Any lease executed in connection with the acceptance of any Outside Offer to lease a Residential Unit shall be consistent with these By-Laws and shall provide that the lease may not be materially modified, amended or extended without the prior consent in writing of the Residential Board, that the tenant shall not assign his interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of such Board and that such Board, if permitted by applicable law, shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of

the State of New York. Leases for Residential Units shall not be for terms shorter than one (1) year without the prior written consent of the Residential Board.

8.1.7 Except as hereinbefore set forth, the form of any such lease executed by the Residential Board or an Outside Offeror shall be a printed, reasonably applicable form of residential lease which is generally approved by the Board which governs the Unit to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by such Board. Any lease executed by the Residential Board as tenant shall provide that such Board may enter into a sublease of the premises without the consent of the landlord.

8.1.8 The foregoing restrictions of this Section 8.1 shall not apply to Unsold Residential Units (including the lease of a Residential Unit to Declarant or its designee) or the Commercial Unit (or any Commercial condominium units into which the Commercial Units may hereafter be divided). Declarant or its designee and the Commercial Unit Owner shall have the right to freely sell their respective Units, or to freely lease all or any part of the Unsold Residential Units or the Commercial Unit, as the case may be, without having to first offer the same for sale or lease to any Board.

8.2 **Consent of Residential Unit Owners to Purchase or Lease of Residential Units by Residential Board**. The Residential Board shall not exercise any option hereinabove set forth to purchase or lease any Residential Unit without the prior approval of a Majority of Residential Unit Owners. However, the Residential Board shall have the right to release or waive such option without the prior approval of a Majority of Residential Unit Owners.

8.3 **No Severance of Ownership**.

8.3.1 No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 8.3 shall permit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.3.2 Notwithstanding anything to the contrary set forth in the Declaration or these By-Laws, in the event a Commercial Unit is subdivided into additional Commercial Units, each of which constitutes an individual storage space for the storage of materials, such Commercial Units can only be sold to another Residential Unit Owner, to the Condominium Board or Residential Board or to a party who is simultaneously acquiring a Residential Unit. Declarant or its designee shall be entitled to lease any such Commercial Unit to a tenant who is not a Residential Unit Owner or simultaneously acquiring a Residential Unit.

8.4 **Release by Residential Board of Right of First Refusal**. The right of first refusal contained in 8.1 may be released or waived by the Residential Board only in the manner provided in 8.5. In the event the Residential Board shall release or waive its right of first refusal

as to any Residential Unit, such Residential Unit together with its appurtenant Common Interest may be sold, conveyed or leased, free and clear of the provisions of 8.1.1 and 8.1.2, provided that such sale, conveyance or lease occurs within any applicable time periods required pursuant to 8.1.3.

8.5 **Certificate of Termination of Right of First Refusal.** A certificate executed by an officer of the Residential Section stating that the provisions of 8.1.1 have been met by a Residential Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Residential Board, and that as a result thereof the rights of such Board thereunder have terminated (provided that any sale, conveyance or lease occurs within any applicable time periods required pursuant to 8.1.3), shall be conclusive upon such Board and the Residential Unit Owners in favor of all persons who rely on such certificate in good faith. The Residential Board shall furnish such certificate upon request to any Residential Unit Owner with respect to whom the provisions of 8.1 .1 have, in fact, terminated.

8.6 **Financing of Purchase of Residential Units by Residential Board.** The purchase of any Residential Unit by the Residential Board or its designee, on behalf of all Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of such Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Residential Board may levy an assessment against each Residential Unit Owner in proportion to his respective Common Interest, as a Common Charge, and/or such Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its (their) appurtenant Common Interest(s).

8.7 **Exceptions.** The provisions of 8.1 shall not apply with respect to any lease, sale or conveyance of any Residential Unit together with its appurtenant Common Interest by (a) the Unit Owner thereof to his or her spouse, adult children or grandchildren, parents, grandparents, adult siblings or to any one or more of them or to any affiliate of the Unit Owner thereof, (b) Declarant or its designee, (c) the Residential Board, (d) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure, or (e) a Permitted Mortgagee or his nominee, who has acquired title to any Residential Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Residential Unit Owner shall be bound by, and his Residential Unit subject to, the provisions of this Article 8. In addition, the provisions of 8.1 shall not apply to any lease, sale or conveyance of the Commercial Unit or any part thereof. The term "affiliate" shall be deemed to be an individual or entity which owns more than 50% of the legal and beneficial interest of such Unit Owner, or an entity with respect to which such Unit Owner owns more than 50% of the legal and beneficial interest.

8.8 **Gifts and Devises, etc.** Any Residential Unit Owner shall be free to convey or transfer his or her Residential Unit by gift, or may devise his or her Residential Unit by will or have his or her Residential Unit pass by intestacy, without being subject to the restrictions of Section 8.1; provided, however, that each succeeding Residential Unit Owner shall be bound by, and his or her Residential Unit subject to, the provisions of this Article 8.

8.9 **Unauthorized Sales or Leases of Residential Units.** Any purported sale or lease of a Residential Unit consummated in violation of Section 8.1 or 8.3 shall be voidable at the

election of the Residential Board and if such Board shall so elect, the Residential Unit Owner shall be deemed to have authorized and empowered such Board to institute legal proceedings to eject the purported purchaser (in case of an unauthorized sale) or to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Residential Unit Owner as the owner or landlord, as the case may be. Said Residential Unit Owner shall reimburse such Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.10 **Charges Imposed on Sale or Lease of Residential Units**. The Residential Board shall be entitled to fix by resolution and collect, before any sale or lease of a Residential Unit is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by such Board, in connection with the sale or lease. If such charge is adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner. The aforementioned charge shall not apply to the lease of a Residential Unit to Declarant or its designee, to the sale or lease of Unsold Residential Units by Declarant or its designee, or to the sale or lease of Unsold Residential Units by a Permitted Mortgagee of Declarant that acquires title to Unsold Residential Units. Upon the acquisition of a Residential Unit, Purchasers of Residential Units shall also pay to the Residential Board two months' common charges as a non-refundable contribution to working capital.

8.11 **Power of Attorney**. At the time of acquiring title to a Residential Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and make arrangements for recording in the New York City register's office, the Residential Unit Power of Attorney required by Article 17 of the Declaration, in the form set forth as Exhibit E to the Declaration.

8.12 **Notices Concerning Residential Unit Occupancy**. Within five (5) days following acquisition of a Residential Unit or the commencement of a lease relating thereto, the new Unit Owner or lessor, as the case may be, shall notify the Managing Agent of the Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by the By-Laws, who will be using or occupying the Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the Managing Agent.

8.13 **Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common**. In the event that any Unit shall be acquired by the Residential Board or the Commercial Board, or their respective designees, corporate or otherwise, on behalf of all Residential Unit Owners or all Commercial Unit Owners, as the case may be, as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit as herein provided.

8.14 **Payment of Assessments**. No Residential Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease his Residential Unit unless and until he shall have paid in full to the appropriate Board all unpaid Common Charges theretofore assessed by said Board against such Residential Unit and until such Residential Unit Owner shall have satisfied all unpaid liens against his Residential Unit other than Permitted Mortgages.

8.15 **Mortgage of Units**. Subject to Article 7 and Section 8.14, each Unit Owner shall have the right to mortgage his Unit without restriction, provided that, with respect to any mortgage covering a Residential Unit, the Residential Unit Owner making such mortgage shall notify in writing the Residential Board of the making of such mortgage.

8.16 **Lease or Purchase of Residential Unit or Other Apartment for Resident Manager's Residence.** The Condominium Board shall have the right to lease or purchase a Residential Unit or other apartment for the Resident Manager's use and shall have the right to amend, modify, extend, renew and otherwise deal in any way with respect to any such lease without the approval of a Majority of Unit Owners.

ARTICLE 9

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the General or Limited Common Elements, each Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the General or Limited Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by such Board. The award made for any such taking shall be payable to the Board responsible for the repair and restoration thereof, as aforesaid; provided, however, that if any such award exceeds $1,000,000, such award shall be payable to the Insurance Trustee and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be (a) borne and shared by all Unit and Owners with respect to any taking of the General Common Elements pro rata, as follows: first, to the Residential Unit Owners and the Commercial Unit Owner in accordance with their respective Common Interests; thereafter, each Board shall allocate such deficit or surplus, as the case may be, pro rata, to the Residential Unit Owners and to the Commercial Unit Owner, respectively, in accordance with their respective Common Interests; (b) borne and shared by all Residential Unit Owners with respect to any taking of the Residential Common Elements pro rata in accordance with their Common Interests; and (c) borne and shared by all Residential Unit Owners having exclusive access to the Residential Limited Common Elements pro rata in accordance with their respective interest in such Residential Limited Common Interests; (d) borne and shared by all Commercial Unit Owners with respect to any taking of the Commercial Common Elements pro rata in accordance with their Common Interests, and (e) borne and shared by all Commercial Unit Owners having exclusive access to the Commercial Common Elements with respect to any taking of the Commercial Limited Common Elements pro rata in accordance with respective interest in such Commercial Limited Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that (1) 75% or more in Common Interest of all Residential Unit Owners and/or 75% or more in Common Interest of all Commercial Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of their respective Limited Common Elements, or (2) 75% or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with such repair and restoration of the General Common Elements, then such repairs or restorations of the Limited Common Elements and/or General Common Elements shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners pro rata in the same manner as is set forth in (a), (b) and (c) above, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not Permitted Mortgages. As used in this Article 9 the words "promptly resolve" shall mean not more than 60 days from the date of such taking. Any dispute between any Boards under this Article 9 shall be settled by Arbitration.

ARTICLE 10

RECORDS AND AUDITS

10.1 **Records**. Each Board or the managing agent for that Board, if any, shall keep detailed records of the actions of such Board, minutes of the meetings of such Board, minutes of the meetings of the Unit Owners for whom such Board serves and financial records and books of account with respect to the activities of such Board, including a listing of all receipts and expenditures. In addition, the Residential Board shall keep a separate account for each Residential Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Residential Board against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 **Audits**. Within four months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by (a) the Residential Board to all Residential Unit Owners, (b) the Commercial Board to all Commercial Unit Owners, and (c) the Condominium Board to the Residential Board and the Commercial Board, and, if so requested, to any Permitted Mortgagee, as the case may be. The cost of such report submitted by (1) the Residential Board, shall be paid by the Residential Unit Owners as a Residential Common Expense, (2) the Commercial Board, shall be paid by the Commercial Unit Owners as a Commercial Common Expense, and (3) the Condominium Board shall be paid by the Residential Board and the Commercial Board as a General Common Expense.

10.3 **Availability of Documents**. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 11

ARBITRATION

11.1 **General Procedure**. Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association is not then in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York. The decision of the arbitrator so chosen shall be given within 10 days after his appointment. Any arbitrator appointed or selected in connection with any arbitration hereunder shall be a member of a law firm whose principal office is in the Borough of Manhattan and which has at least five members.

11.2 **Costs and Expenses**. The fees, costs and expenses of the arbitrator will be borne by the losing party in the arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitrator, such fees, costs and expenses will be borne equally by the disputants. Each disputant will also bear the fees and expenses of his counsel and expert witnesses. All costs and expenses paid or incurred by the Condominium Board in connection

with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, will constitute General Common Expenses.

11.3 **Agreement by Parties.** The parties to any dispute required or permitted to be submitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of 11.1 with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

ARTICLE 12

MISCELLANEOUS

12.1 **Waiver.** No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

12.2 **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

12.3 **Certain References.**

12.3.1 A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

12.3.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

12.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.4 **Severability.** Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law. In the event any provision of these By-Laws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 **Insurance Trustee.** The Insurance Trustee shall be a bank or trust company in The City of New York, designated by the Condominium Board and having a capital surplus and undivided profits of $500,000,000 or more. In the event the Insurance Trustee resigns or the Condominium Board wishes to replace it, the Condominium Board shall promptly appoint a new Insurance Trustee. The Condominium Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a General Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York. If required by Declarant's construction or permanent

lender, such lender shall be the Insurance Trustee until its release of all Units from the lien of its mortgage.

12.6 **Successors and Assigns**. Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee or, with the consent of Declarant or its designee, any transferee of some or all then Unsold Residential Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of the Commercial Unit Owner as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owner. Subject to the foregoing, Declarant, its designee, and/or the Commercial Unit Owner, as the case may be, shall have the right, at any time in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

12.7 **Covenant of Further Assurances.**

12.7.1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of any Board, or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.7.2 If any Unit Owner, Board or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, or (ii) to deliver a written notice to the party requesting such execution, acknowledgment or delivery, and to the Board representing such Unit Owners, stating the reasons why such Unit Owner, Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then the Board which represents such Unit Owner, Board or other party is hereby authorized, as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party. For purposes of this Section 12.7.2, the Commercial Board shall be deemed to represent the Residential Board, the Residential Board shall be deemed to represent the Commercial Board, and the Residential and/or Commercial Board shall be deemed to represent the Condominium Board.

12.7.3 If any Unit Owner, Board or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant or its designee, or (ii) to deliver a written notice to Declarant or its designee, as applicable, and to the Board representing such Unit Owners stating the reasons why such Unit Owner, Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit

Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 13

AMENDMENT TO BY-LAWS

13.1 **Amendments by Unit Owners**. Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee or any Unsold Residential Units, or the Commercial Unit or any Commercial Unit Owner, (a) any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these by-laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected, (b) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of these By-Laws and (c) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Commercial Section or the Commercial Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Commercial Unit Owners taken in accordance with the provisions of these By-Laws. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, Permitted Mortgagees, any Unsold Residential Units, the Commercial Section or any Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by (1) the Residential Board, as attorney-in-fact for the Residential Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Residential Unit Owners so to act as their attorney-in-fact or (2) the Commercial Board, as attorney-in-fact for the Commercial Unit Owners, coupled with an interest, which Commercial Board is hereby authorized by such Commercial Unit Owners to act as their attorney-in-fact or (3) the Condominium Board, as attorney-in-fact for all Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Declarant or its designee, any Unsold Residential Units, the Commercial Section or the Commercial Unit Owners, (i) no amendment, modification, addition or deletion pursuant to the provisions of clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential and Commercial Mortgage Representatives, if any, (ii) no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the respective Residential Mortgage Representatives, if any, (iii) no amendment, modification, addition or deletion pursuant to the provisions of clause (c) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Commercial Mortgage Representatives, if any, and (iv) the provisions of this Section 13.1 may not be

amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential and/or Commercial Mortgage Representatives, as the case may be), 80% in number and in Common Interest of all Unit Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

13.2 **Amendments Affecting Declarant or its Designee, or Commercial Unit Owners**. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Commercial Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Commercial Unit Owner, (b) without the prior written consent of Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, or otherwise adversely affecting Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Residential Unit or Commercial Unit, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or Commercial Unit, or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit or Commercial Unit.

13.3 **Amendments Affecting Permitted Mortgagees**. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or 6.1, 6.2, 6.4.2, 6.4.3, 8.7(d) or (e), or 8.10 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

ARTICLE 14

AMENDMENTS CONCERNING COMMERCIAL SECTION

Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Section or the subdivision of any Commercial Unit into separate Commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Unit and it is contemplated that in connection therewith the Commercial Board will cause the Declaration, these By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section, or any Residential Unit Owners, the Commercial Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest, for the purpose of

approving and executing any instrument effecting such amendment, modification, addition or dcletion.

ARTICLE 15

CERTAIN DAMAGES

15.1 **Self Help.** If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his or her Unit or its appurtenant Residential Limited Common Elements, if any, pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within 5 days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Residential Limited Common Elements, if any, and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

15.2 **Abatement and Enjoinment.**

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, the Condominium Board shall have the right (i) to enter any Unit or Common Elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Condominium Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity, provided that the Condominium Board gives the Unit Owner notice (which may be by telephone or in writing) that such violation exists, that repairs or replacements are necessary and that the Condominium Board will complete such repairs or replacements in the event the Unit Owner does not promptly act or complete the repairs or replacements, and/or (iii) to levy such fines and penalties as the Condominium Board may deem appropriate, and the Condominium Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges

(B) The violation or breach of any of the terms of the By-Laws with respect to any rights, easements, privileges, or licenses granted to Declarant or the Commercial Unit Owner shall give to Declarant and the Commercial Unit Owner the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

15.3 **Remedies Cumulative.** The remedies specifically granted to the Condominium Board or to Sponsor or to the Commercial Unit Owner in this Article 15 or elsewhere in the By-Laws shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Declarant or the Commercial Unit Owner as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

15.4 **Costs and Expenses.** All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 15.1 or paragraph (A) of Section 15.2 hereof or (ii) Declarant or the Commercial Unit Owner in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 15.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor or the Commercial Unit Owner, as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 15.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

SCHEDULE A
RULES AND REGULATIONS OF THE RESIDENTIAL SECTION

1. The sidewalks, entrances, passages, public halls, elevators, vestibules. corridors and stairways of the Residential Section shall not be obstructed or used for any other purpose than ingress to and egress from the Residential Section Units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire tower landings of the Residential Section, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of the Residential Section.

3. Neither occupants nor their guests shall play in the entrances, passages, public hails, elevators, vestibules, corridors, stairways or fire towers of the Residential Section.

4. No public hall or public elevator vestibule of the Residential Section shall be decorated or furnished by any Residential Section Unit Owner in any manner.

5. Each Residential Unit Owner shall keep his or her Unit and any Limited Common Elements appurtenant thereto in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

6. No window guards or window decorations shall be used in or about any Residential Unit, unless otherwise required by law, except such as shall have been approved in writing by the Residential Board or the managing agent of the Residential Section, which approval shall not be unreasonably withheld or delayed.

7. No radio, television aerial, satellite or similar device shall be attached to or hung from the exterior of the Residential Section and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Residential Section except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Residential Board or the managing agent of the Residential Section, nor shall anything be projected from any door or window of the Residential Section without similar approval.

8. No ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Residential Board, which approval may be granted or refused in the sole discretion of the Residential Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Residential 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 Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Residential Unit Owner's Unit.

10. No bicycles, scooters or similar vehicles shall be allowed in any of the elevators other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Residential Section.

11. No Residential Unit Owner shall make or permit any disturbing noises or activity in the Residential Section, or do or permit anything to be done therein, which will interfere with the rights, comfort or convenience of other Unit Owners or the tenants or occupants of the Commercial Section. No Residential Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph or radio or television set or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Residential Board. No construction or repair work or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or unless such work is performed by Declarant.

12. No more than (2) pets shall be permitted, kept or harbored in a Residential Unit without the same in each instance having been expressly permitted in writing by the Residential Board or the managing agent of the Residential Section and such consent, if given, shall be revocable by the Residential Board or such managing agent in their sole discretion, at any time. Dogs may not be walked on the Property and all Residential Unit Owners must clean-up after their pets. In no event shall any bird, reptile, or animal be permitted in any public elevator in the Residential Section, other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, or in any of the public portions of the Residential Section, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Residential Section or on the sidewalk or street adjacent to the Building. Each Residential Unit Owner who keeps any type of pet in his Residential Unit shall be required to indemnify and hold harmless the Condominium, all Unit Owners and the managing agent from all claims and expenses resulting from acts of such pet.

13. Messengers and tradespeople visiting in the Residential Section shall use the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, for ingress and egress, and shall not use any of the other elevators for any purpose, except that nurses, caregivers, babysitters and cleaning personnel in the employ of Residential Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Unit Owners, guests or tenants. However, a guest or visitor of a Residential Unit Owner may use any of the elevators freely, if authorized by such Unit Owner.

14. All service and delivery persons will be required to use the service entrance. All packages, whenever feasible, will be required to be delivered by outside personnel to the package room in the lobby where such packages will be held for pick-up by Residential Unit Owners. Deliveries, if made, will be made from the package room to individual Residential Units only by building personnel. Such deliveries will be made only at such times as a Unit is occupied by the resident thereof or an authorized person and said resident or authorized person is willing to accept delivery. If the Residential Unit is not so occupied or delivery is declined, the package will be held in the package room until the resident or authorized person returns or requests delivery. In the case of packages containing perishable food items, service or delivery persons who are registered with building personnel will be permitted to make deliveries directly to individual Residential Units after such service or delivery persons have received approval for such delivery from the Residential Unit Owner.

15. Trunks and heavy baggage shall be taken in or out of the Residential Section by the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and through a designated entrance only.

16. No refuse from the Residential Units shall be sent to the below grade levels of the Building except at such times and in such manner as the Residential Board or the managing agent of the Residential Section may direct.

17. Water-closets and other water apparatus in the Residential Section and in any Common Area shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Residential Unit shall be repaired and paid for by the Owner of such Unit.

18. No occupant of the Residential Section shall send any employee of the Residential Section or of the managing agent thereof out of the Building on any private business.

19. The agents of the Residential Board or the managing agent, and any contractor or worker authorized by the Residential Board or the managing agent of the Residential Section, may enter any room or Residential Unit at any reasonable hour of the day, on at least one day's prior written notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a manner so as not to unreasonably interfere with the use of such Residential Section Unit for its permitted purposes.

20. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

21. The Residential Board or the managing agent of the Residential Section may retain a passkey to each Residential Unit that has locks. If any lock is altered or a new lock is installed, the Residential Board or the managing agent of the Residential Section shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to his Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to such Board or such managing agent, then the Residential Board or such managing agent or their agents (but, except in an emergency, only when specifically authorized by an officer of such Board or an officer of the managing agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care under the circumstances is given to such Unit Owner's property).

22. No vehicle belonging to a Residential Unit Owner or to a member of the family or guest, tenant or employee of a Residential Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Building by another vehicle.

23. Complaints regarding the services of the Residential Section shall be made in writing to the Residential Board or to the managing agent of the Residential Section.

24. Any consent or approval given under these Residential Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Residential Board, at any time by resolution of the Residential Board. Further, any such consent or approval may, in the discretion of the Residential Board, be conditional in nature.

25. Except as permitted under the Declaration and By-Laws, Residential Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

26. Residential Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units.

27. No Residential Unit Owner or any of his agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

28. If any key or keys are entrusted by a Residential Unit Owner or by any member of his family or by his agent, servant, employee, tenant, sublessee, licensee or visitor to an employee of the Residential Board or the managing agent of the Residential Section, whether for such Unit Owner's Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Residential Board nor the managing agent of the Residential Section shall (except as provided in paragraph 21 above) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

29. Nothing shall be done or kept in any Residential Unit or in the General or Limited Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Condominium Board. No Residential Unit Owner shall permit anything to be done or kept in his Unit or in the General or Limited Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed in the General or Limited Common Elements.

30. The Boards shall have the right from time to time to relocate any portion of the Common Elements devoted to storage or service purposes.

31. No group tour or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the prior consent of the Residential Board or the managing agent of the Residential Section.

32. In the event that any Residential Unit is used for home occupation purposes which are permitted by law and the by-laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

33. Unless expressly authorized by the Residential Board in each case, at least 80% of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms and closets) must be covered with rugs, carpeting or equally effective noise-reducing material.

34. The Residential Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Residential Section when, in the reasonable judgment of the Residential Board, the Residential Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Residential Section, or the preservation of good order therein, or the operation or maintenance of the Residential Section, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Residential Section. No rescission, alteration, waiver or addition of

any rule or regulation in respect of one Residential Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner or other occupant.

35. No children may be left unattended in any Common Area of the Building, including but not limited to the hallways and lobby.

EXHIBIT "10"

CERTIFICATION OF SPONSOR AND PRINCIPALS

CERTIFICATION OF SPONSOR AND PRINCIPALS

February 28 2006

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, New York 10271

Re: 254 Park Avenue South, New York, New York

The undersigned certify as follows:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibilities for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 23 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal law.

254 PAS Property LLC

By: 254 PAS Mezz LLC

By: PAS 4 Manager LLC

By: _____
Name: Jack Forgash
Title: Manager

By: RPS 254 Manager LLC

By: _____
Name: Jack Rosen
Title: Manager

SPONSOR'S PRINCIPALS:

_____
Jack Forgash

_____
Hymie Mamiye

_____
Chuck Mamiye

_____
Jack Rosen

_____
Alan Pines

Mark Sarna

NOTARY FOR Jack Rosen
Sworn to before me this
22 day of FEB, 2006

Notary Public

ELI GREENBERG
Notary Public, State of New York
No. 02GR4835317
Qualified in Kings County
Term Expires Feb. 28, 2007

NOTARY FOR Hyme Maine
Sworn to before me this
22 day of FEB, 2006

Notary Public

ELI GREENBERG
Notary Public, State of New York
No. 02GR4835317
Qualified in Kings County
Term Expires Feb. 28, 2007

NOTARY FOR Chuck Maine
Sworn to before me this
22 day of FEB, 2006

Notary Public

ELI GREENBERG
Notary Public, State of New York
No. 02GR4835317
Qualified in Kings County
Term Expires Feb. 28, 2007

NOTARY FOR JACK ROSEN:
Sworn to before me this
24 day of FEBRUARY, 2006

Notary Public

DASSA FREED
Public
New Jersey
April 23, 2009

NOTARY FOR _____:
Sworn to before me this
_____ day of _____, 2006

_____
Notary Public

KRISTINE M. MORAN
Notary Public
My Commission Expires:
September 2, 2010

NOTARY FOR MARK SARNAT
Sworn to before me this
22ND day of FEBRUARY, 2006

Rita Seiler
Notary Public

425471

RITA SEILER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 3, 2006

EXHIBIT "11"

CERTIFICATION OF SPONSOR'S ARCHITECT

CERTIFICATION BY ARCHITECT

July 23, 2007

State of New York
Department of Law
120 Broadway
23rd Floor
New York, New York 10271

Re: 254 Park Avenue South Condominium
254 Park Avenue South, New York, New York

Gentlemen:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report disclosing the condition of the property (the "Report"). We visually inspected the property on October 18, 2005, and prepared the Report dated November 23, 2006, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. We certify that the Report and all documents prepared by us disclose all the material facts which were then discernable from a visual inspection of the property. This certification is made for the benefit of all persons to whom this offer is made. We certify that the Report based on our visual inspection:

(i) sets forth in narrative form the physical condition of the entire property and is current and accurate as of the date of inspection;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property;

(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;

State of New York
Department of Law
Page -2-

(vi) does not contain any promise or representation as to the future which is beyond the reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representations or statement made.

It is understood that all aspects of the physical condition of the property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Very truly yours,

Matt S. Markowitz, Architect, PC

Name: Matt S. Markowitz
Title: Principal Architect
NYS License # 022409

Sworn to before me this 24th
day of July, 2007

Notary Public

JILL H BLUMBERG
Notary Public, State of New York
No. 02BL6144910
Qualified in New York County
Commission Expires May 01, 20 11

EXHIBIT "12"

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

PENMARK
REALTY CORP

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET

July 16, 2007

State of New York
Department of Law
120 Broadway
23rd Floor
New York, New York 10271

Re: 254 Park Avenue South Condominium
254 Park Avenue South, New York, New York

Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B and the footnotes thereto, containing projections of income and expenses for the first year of condominium operation. We have had experience in this field for over forty (40) years in the New York metropolitan area and we are experienced in the management of residential properties. The company currently manages approximately fifty (50) condominium or cooperative apartment buildings in New York City. Leslie Winkler, the Vice President and Director of Management of Penmark Realty, has experience in many phases of real estate including, specifically, management of residential apartment buildings in New York City.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to Schedule B.

We have reviewed the schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedule:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis 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 the reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expense 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 Penal Law.

Very truly yours,

Penmark Realty Corporation

By: _____
Name: Bernard Friedman
Title: President

Sworn to before me this 17
day of July, 2007

_____
Notary Public

MARIBEL ALVERIO
Notary Public, State of New York
No. 01AL5074898
Qualified in New York County
Commission Expires May 27, 2010

PENMARK
REALTY CORP

EXHIBIT "13"

CERTIFICATION OF SPONSOR'S EXPERT

CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY COMMERCIAL UNIT OWNER

PENMARK
REALTY CORP

CERTIFICATION BY EXPERT ON ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER

July 16, 2007

State of New York
Department of Law
120 Broadway
23rd Floor
New York, New York 10271

Re: 254 Park Avenue South Condominium
254 Park Avenue South, New York, New York

Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B and the footnotes thereto, containing projections of common charges payable by the owners of the commercial units. We have had experience in this field for over forty (40) years in the New York metropolitan area and we are experienced in the management of residential properties. The company currently manages approximately fifth (50) condominium or cooperative apartment buildings in New York City. Bernard Friedman, the President of Penmark Realty, has experience in many phases of real estate including, specifically, management of residential apartment buildings in New York City.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to the commercial units listed in Schedule B.

We have reviewed the Schedule as it impacts up on the commercial units and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B for common charges payable by the owners of the commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial units for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial units also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial units:

(i) set forth in detail the projected common charges for the commercial units for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial units;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond the reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial units for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Penal Law.

Very truly yours,

Penmark Realty Corporation

By _____
Bernard Friedman, President

Sworn to before me this 17th
day of July, 2007

_____
Notary Public

MARIBEL ALVERIO
Notary Public, State of New York
No. 01AL6074898
Qualified in New York County
Commission Expires May 27, 2010

EXHIBIT "14"

ESCROW AGREEMENT

ESCROW AGREEMENT FOR OFFERING PLAN

AGREEMENT made this __th day of May, 2007, between 254 PAS Property LLC ("SPONSOR"), as sponsor of the Offering Plan (defined below) and LeBoeuf, Lamb, Greene & MacRae LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the sponsor of an offering plan for premises known as 254 Park Avenue South Condominium, New York, New York (the "Offering Plan"); 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 or 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:

A. ESTABLISHMENT OF THE ESCROW ACCOUNT.

a. ESCROW AGENT has established a master escrow account for the purpose of holding deposits, down payments, advances or payments ("Deposit" or "Deposits") made by purchasers or subscribers ("Purchasers", and individually a "Purchaser") pursuant to the Offering Plan at JP Morgan Chase Bank, at its branch located at 345 Park Avenue, New York, New York 10154 entitled "LeBoeuf, Lamb, Greene & MacRae LLP Attorney Escrow Account –254 Park Avenue South Condominium" (the "Master Escrow Account").

b. All Deposits will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. At such time as ESCROW AGENT receives a completed and signed Form W-9 (Request for Taxpayer Identification Number) or Form W-8 (Certificate of Foreign Status), as applicable, from a Purchaser, the Deposit of such Purchaser will be promptly transferred from the non-interest bearing checking portion of the Master Escrow Account into an individual interest bearing sub-escrow savings account in the name of such Purchaser. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon.

c. Partners or attorneys employed by ESCROW AGENT are the sole signatories on the Master Escrow Account.

d. The Master Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

e. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Contract of Sale (defined below), or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to SPONSOR only in the event Purchaser defaults.

B. DEPOSITS INTO THE ESCROW ACCOUNT.

a. All funds received from Purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the Master Escrow Account. All instruments to be deposited into the Master Escrow Account shall be made payable directly to the order of "LeBoeuf, Lamb, Greene & MacRae LLP, as Escrow Agent". Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited into the Master Escrow Account, shall be returned to the Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

b. Within ten (10) business days after tender of the Deposit submitted with the purchase agreement or subscription agreement ("Contract of Sale"), ESCROW AGENT shall notify the Purchaser of the deposit of such funds in the Master Escrow Account, 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 Contract of Sale 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 Deposit was timely deposited in accordance with the Attorney General's regulations and requisite notice was timely mailed to the Purchaser.

C. RELEASE OF FUNDS.

a. Consummation of the Offering Plan does not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

b. ESCROW AGENT shall continue to hold the Deposit 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.

c. SPONSOR shall not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Deposit to: (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan, or (b) all Purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

d. In the event SPONSOR and a Purchaser close title under the Contract of Sale, ESCROW AGENT shall be entitled to release the Deposit to SPONSOR without the need for a written agreement from Purchaser.

e. Except as otherwise set forth above, if there is no written agreement between the parties to release the Deposit, 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 Deposit 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 ESCROW AGENT has received notice from the Purchaser in accordance with such provisions.

D. RECORDKEEPING.

a. ESCROW AGENT shall maintain all records concerning the Master Escrow Account for seven years after release of the funds.

b. Upon the dissolution of ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

c. ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

E GENERAL OBLIGATIONS OF ESCROW AGENT.

a. ESCROW AGENT shall maintain the Master Escrow Account under its direct supervision and control.

b. A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

c. ESCROW AGENT shall not be liable to SPONSOR for any error in judgment, mistake of fact or law or for any act or omission on ESCROW AGENT'S part, including, without limitation, any act or omission which permits a Purchaser to rescind a Contract of Sale, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of ESCROW AGENT.

d. ESCROW AGENT shall be permitted to act as counsel for SPONSOR in any dispute as to the disbursement of the Deposit or any other dispute between SPONSOR and a Purchaser whether or not ESCROW AGENT is in possession of the Deposit and continues to act as ESCROW AGENT.

e. ESCROW AGENT may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

f. ESCROW AGENT may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to ESCROW AGENT in

respect of any action taken or omitted in good faith by ESCROW AGENT hereunder in accordance with the opinion of such counsel.

F. RESPONSIBILITIES OF SPONSOR.

a. SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver all Deposits received by them prior to closing of an individual transaction to a designated attorney who is a member of or employed by ESCROW AGENT within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by ESCROW AGENT from time to time.

b. SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

c. SPONSOR shall obtain or cause the selling agent under the Offering Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from each Purchaser and deliver such form to ESCROW AGENT together with the Deposit and Contract of Sale.

G. TERMINATION OF AGREEMENT.

a. This Agreement shall remain in effect unless and until it is canceled 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 to the Offering Plan 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. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Master Escrow Account on the date of such resignation; or

(c) all shares or units offered by SPONSOR pursuant to the Offering Plan have been sold and no Deposits of Purchasers from SPONSOR remain in the Master Escrow Account.

b. Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1(a) or (b) above, ESCROW AGENT shall deliver any and all funds held by ESCROW AGENT in escrow and any and all contracts or documents maintained by ESCROW AGENT relating to such funds to the new escrow agent.

H. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their respective successors and assigns.

I. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

J. ESCROW AGENT'S COMPENSATION.

SPONSOR agrees to pay ESCROW AGENT for services rendered by its attorneys and paralegals and expenses incurred by ESCROW AGENT in connection with this Agreement, including, without limitation, disputes arising with respect to the Deposit. SPONSOR shall not be charged with any administrative costs for maintenance of the Master Escrow Account. ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

K. SEVERABILITY.

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.

L. INDEMNIFICATION.

SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself

M. ENTIRE AGREEMENT.

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: LEBOEUF, LAMB, GREENE & MACRAE LLP

By: _____
Name: Stuart M. Saft
Title: Partner

SPONSOR: 254 PAS PROPERTY LLC

By: _____
Name: Jack Forgash
Title: Authorized Signatory

By: _____
Name: Jack Rosen
Title: Authorized Signatory

EXHIBIT "15"

FORM W-9

REQUEST FOR TAXPAYER IDENTIFICATION

Form **W-9**
(Rev. November 2005)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type See Specific Instructions on page 2.

Name (as shown on your income tax return)
254 PAS Property LLC

Business name, if different from above

Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☑ Other ▶ LLC ☐ Exempt from backup withholding

Address (number, street, and apt. or suite no.)
126 East 56th Street, 24th Floor

Requester's name and address (optional)

City, state, and ZIP code
New York, New York 10022

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
			–			–		

or

Employer identification number
		–						

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here Signature of U.S. person ▶ Date ▶

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 4 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules regarding partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for "Other" and enter "LLC" in the space provided.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over $600 required to be reported and direct sales over $5,000 [1]	Generally, exempt recipients 1 through 7 [2]

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.socialsecurity.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting *www.irs.gov* or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee [1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner [1]
5. Sole proprietorship or single-owner LLC	The owner [3]
For this type of account:	**Give name and EIN of:**
6. Sole proprietorship or single-owner LLC	The owner [3]
7. A valid trust, estate, or pension trust	Legal entity [4]
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

[4] List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules regarding partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

EXHIBIT "16"

FORM W-8

CERTIFICATE OF FOREIGN STATUS

Form **W-8BEN**
(Rev. February 2006)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

▶ **Section references are to the Internal Revenue Code.** ▶ **See separate instructions.**
▶ **Give this form to the withholding agent or payer. Do not send to the IRS.**

OMB No. 1545-1621

Do not use this form for:	**Instead, use Form:**
• A U.S. citizen or other U.S. person, including a resident alien individual	W-9
• A person claiming that income is effectively connected with the conduct of a trade or business in the United States	W-8ECI
• A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions)	W-8ECI or W-8IMY
• A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions)	W-8ECI or W-8EXP

Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*

• A person acting as an intermediary	W-8IMY

Note: *See instructions for additional exceptions.*

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of beneficial owner: ☐ Individual ☐ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 **I certify that (check all that apply):**

a ☐ The beneficial owner is a resident of .....within the meaning of the income tax treaty between the United States and that country.

b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).

e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, $500,000.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article .....of the treaty identified on line 9a above to claim a .....% rate of withholding on (specify type of income): ....

Explain the reasons the beneficial owner meets the terms of the treaty article: .....

.....

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

1 I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,

2 The beneficial owner is not a U.S. person,

3 The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, **and**

4 For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ▶ ..... Signature of beneficial owner (or individual authorized to sign for beneficial owner) ..... Date (MM-DD-YYYY) ..... Capacity in which acting

Instructions for Form W-8BEN

(Rev. February 2006)

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

Department of the Treasury
Internal Revenue Service

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

For definitions of terms used throughout these instructions, see *Definitions* on pages 3 and 4.

Purpose of form. Foreign persons are subject to U.S. tax at a 30% rate on income they receive from U.S. sources that consists of:

- Interest (including certain original issue discount (OID));
- Dividends;
- Rents;
- Royalties;
- Premiums;
- Annuities;
- Compensation for, or in expectation of, services performed;
- Substitute payments in a securities lending transaction; or
- Other fixed or determinable annual or periodical gains, profits, or income.

This tax is imposed on the gross amount paid and is generally collected by withholding under section 1441 or 1442 on that amount. A payment is considered to have been made whether it is made directly to the beneficial owner or to another person, such as an intermediary, agent, or partnership, for the benefit of the beneficial owner.

In addition, section 1446 requires a partnership conducting a trade or business in the United States to withhold tax on a foreign partner's distributive share of the partnership's effectively connected taxable income. Generally, a foreign person that is a partner in a partnership that submits a Form W-8 for purposes of section 1441 or 1442 will satisfy the documentation requirements under section 1446 as well. However, in some cases the documentation requirements of sections 1441 and 1442 do not match the documentation requirements of section 1446. See Regulations sections 1.1446-1 through 1.1446-6. Further, the owner of a disregarded entity, rather than the disregarded entity itself, shall submit the appropriate Form W-8 for purposes of section 1446.

If you receive certain types of income, you must provide Form W-8BEN to:

- Establish that you are not a U.S. person;
- Claim that you are the beneficial owner of the income for which Form W-8BEN is being provided or a partner in a partnership subject to section 1446; and
- If applicable, claim a reduced rate of, or exemption from, withholding as a resident of a foreign country with which the United States has an income tax treaty.

You may also be required to submit Form W-8BEN to claim an exception from domestic information reporting and backup withholding for certain types of income that are not subject to foreign-person withholding. Such income includes:

- Broker proceeds.
- Short-term (183 days or less) original issue discount (OID).
- Bank deposit interest.
- Foreign source interest, dividends, rents, or royalties.
- Proceeds from a wager placed by a nonresident alien individual in the games of blackjack, baccarat, craps, roulette, or big-6 wheel.

You may also use Form W-8BEN to certify that income from a notional principal contract is not effectively connected with the conduct of a trade or business in the United States.

A withholding agent or payer of the income may rely on a properly completed Form W-8BEN to treat a payment associated with the Form W-8BEN as a payment to a foreign person who beneficially owns the amounts paid. If applicable, the withholding agent may rely on the Form W-8BEN to apply a reduced rate of withholding at source.

Provide Form W-8BEN to the withholding agent or payer before income is paid or credited to you. Failure to provide a Form W-8BEN when requested may lead to withholding at a 30% rate (foreign-person withholding) or the backup withholding rate.

Additional information. For additional information and instructions for the withholding agent, see the Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.

Who must file. You must give Form W-8BEN to the withholding agent or payer if you are a foreign person and you are the beneficial owner of an amount subject to withholding. Submit Form W-8BEN when requested by the withholding agent or payer whether or not you are claiming a reduced rate of, or exemption from, withholding.

Do not use Form W-8BEN if:

- You are a U.S. citizen (even if you reside outside the United States) or other U.S. person (including a resident alien individual). Instead, use Form W-9, Request for Taxpayer Identification Number and Certification.
- You are a disregarded entity with a single owner that is a U.S. person and you are not a hybrid entity claiming treaty benefits. Instead, provide Form W-9.

- You are a nonresident alien individual who claims exemption from withholding on compensation for independent or dependent personal services performed in the United States. Instead, provide Form 8233, Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, or Form W-4, Employee's Withholding Allowance Certificate.
- You are receiving income that is effectively connected with the conduct of a trade or business in the United States, unless it is allocable to you through a partnership. Instead, provide Form W-8ECI, Certificate of Foreign Person's Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States. If any of the income for which you have provided a Form W-8BEN becomes effectively connected, this is a change in circumstances and Form W-8BEN is no longer valid. You must file Form W-8ECI. See *Change in circumstances* on this page.
- You are filing for a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession claiming the applicability of section 115(2), 501(c), 892, 895, or 1443(b). Instead, provide Form W-8EXP, Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding. However, you should use Form W-8BEN if you are claiming treaty benefits or are providing the form only to claim you are a foreign person exempt from backup withholding. You should use Form W-8ECI if you received effectively connected income (for example, income from commercial activities).
- You are a foreign flow-through entity, other than a hybrid entity, claiming treaty benefits. Instead, provide Form W-8IMY, Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding. However, if you are a partner, beneficiary, or owner of a flow-through entity and you are not yourself a flow-through entity, you may be required to furnish a Form W-8BEN to the flow-through entity.
- You are a disregarded entity for purposes of section 1446. Instead, the owner of the entity must submit the form.
- You are a reverse hybrid entity transmitting beneficial owner documentation provided by your interest holders to claim treaty benefits on their behalf. Instead, provide Form W-8IMY.
- You are a withholding foreign partnership or a withholding foreign trust within the meaning of sections 1441 and 1442 and the accompanying regulations. A withholding foreign partnership or a withholding foreign trust is a foreign partnership or trust that has entered into a withholding agreement with the IRS under which it agrees to assume primary withholding responsibility for each partner's, beneficiary's, or owner's distributive share of income subject to withholding that is paid to the partnership or trust. Instead, provide Form W-8IMY.
- You are acting as an intermediary (that is, acting not for your own account, but for the account of others as an agent, nominee, or custodian). Instead, provide Form W-8IMY.
- You are a foreign partnership or foreign grantor trust for purposes of section 1446. Instead, provide Form W-8IMY and accompanying documentation. See Regulations sections 1.1446-1 through 1.1446-6.

Giving Form W-8BEN to the withholding agent. Do not send Form W-8BEN to the IRS. Instead, give it to the person who is requesting it from you. Generally, this will be the person from whom you receive the payment, who credits your account, or a partnership that allocates income to you. Give Form W-8BEN to the person requesting it before the payment is made to you, credited to your account or allocated. If you do not provide this form, the withholding agent may have to withhold at the 30% rate, backup withholding rate, or the rate applicable under section 1446. If you receive more than one type of income from a single withholding agent for which you claim different benefits, the withholding agent may, at its option, require you to submit a Form W-8BEN for each different type of income. Generally, a separate Form W-8BEN must be given to each withholding agent.

Note. If you own the income or account jointly with one or more other persons, the income or account will be treated by the withholding agent as owned by a foreign person if Forms W-8BEN are provided by all of the owners. If the withholding agent receives a Form W-9 from any of the joint owners, the payment must be treated as made to a U.S. person.

Change in circumstances. If a change in circumstances makes any information on the Form W-8BEN you have submitted incorrect, you must notify the withholding agent or payer within 30 days of the change in circumstances and you must file a new Form W-8BEN or other appropriate form.

If you use Form W-8BEN to certify that you are a foreign person, a change of address to an address in the United States is a change in circumstances. Generally, a change of address within the same foreign country or to another foreign country is not a change in circumstances. However, if you use Form W-8BEN to claim treaty benefits, a move to the United States or outside the country where you have been claiming treaty benefits is a change in circumstances. In that case, you must notify the withholding agent or payer within 30 days of the move.

If you become a U.S. citizen or resident alien after you submit Form W-8BEN, you are no longer subject to the 30% withholding rate or the withholding tax on a foreign partner's share of effectively connected income. You must notify the withholding agent or payer within 30 days of becoming a U.S. citizen or resident alien. You may be required to provide a Form W-9. For more information, see Form W-9 and instructions.

Expiration of Form W-8BEN. Generally, a Form W-8BEN provided without a U.S. taxpayer identification number (TIN) will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect. For example, a Form W-8BEN signed on September 30, 2005, remains valid through December 31, 2008. A Form W-8BEN furnished with a U.S. TIN will remain in effect until a change in circumstances makes any information on the form incorrect, provided that the withholding agent reports on Form 1042-S at least one payment annually to the beneficial owner who provided the Form W-8BEN. See the instructions for line 6

beginning on page 4 for circumstances under which you must provide a U.S. TIN.

Definitions

Beneficial owner. For payments other than those for which a reduced rate of withholding is claimed under an income tax treaty, the beneficial owner of income is generally the person who is required under U.S. tax principles to include the income in gross income on a tax return. A person is not a beneficial owner of income, however, to the extent that person is receiving the income as a nominee, agent, or custodian, or to the extent the person is a conduit whose participation in a transaction is disregarded. In the case of amounts paid that do not constitute income, beneficial ownership is determined as if the payment were income.

Foreign partnerships, foreign simple trusts, and foreign grantor trusts are not the beneficial owners of income paid to the partnership or trust. The beneficial owners of income paid to a foreign partnership are generally the partners in the partnership, provided that the partner is not itself a partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of income paid to a foreign simple trust (that is, a foreign trust that is described in section 651(a)) are generally the beneficiaries of the trust, if the beneficiary is not a foreign partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of a foreign grantor trust (that is, a foreign trust to the extent that all or a portion of the income of the trust is treated as owned by the grantor or another person under sections 671 through 679) are the persons treated as the owners of the trust. The beneficial owners of income paid to a foreign complex trust (that is, a foreign trust that is not a foreign simple trust or foreign grantor trust) is the trust itself.

For purposes of section 1446, the same beneficial owner rules apply, except that under section 1446 a foreign simple trust rather than the beneficiary provides the form to the partnership.

The beneficial owner of income paid to a foreign estate is the estate itself.

Note. A payment to a U.S. partnership, U.S. trust, or U.S. estate is treated as a payment to a U.S. payee that is not subject to 30% withholding. A U.S. partnership, trust, or estate should provide the withholding agent with a Form W-9. For purposes of section 1446, a U.S. grantor trust or disregarded entity shall not provide the withholding agent a Form W-9 in its own right. Rather, the grantor or other owner shall provide the withholding agent the appropriate form.

Foreign person. A foreign person includes a nonresident alien individual, a foreign corporation, a foreign partnership, a foreign trust, a foreign estate, and any other person that is not a U.S. person. It also includes a foreign branch or office of a U.S. financial institution or U.S. clearing organization if the foreign branch is a qualified intermediary. Generally, a payment to a U.S. branch of a foreign person is a payment to a foreign person.

Nonresident alien individual. Any individual who is not a citizen or resident alien of the United States is a nonresident alien individual. An alien individual meeting either the "green card test" or the "substantial presence test" for the calendar year is a resident alien. Any person not meeting either test is a nonresident alien individual. Additionally, an alien individual who is a resident of a foreign country under the residence article of an income tax treaty, or an alien individual who is a bona fide resident of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa is a nonresident alien individual. See Pub. 519, U.S. Tax Guide for Aliens, for more information on resident and nonresident alien status.

Even though a nonresident alien individual married to a U.S. citizen or resident alien may choose to be treated as a resident alien for certain purposes (for example, filing a joint income tax return), such individual is still treated as a nonresident alien for withholding tax purposes on all income except wages.

Flow-through entity. A flow-through entity is a foreign partnership (other than a withholding foreign partnership), a foreign simple or foreign grantor trust (other than a withholding foreign trust), or, for payments for which a reduced rate of withholding is claimed under an income tax treaty, any entity to the extent the entity is considered to be fiscally transparent (see below) with respect to the payment by an interest holder's jurisdiction.

For purposes of section 1446, a foreign partnership or foreign grantor trust must submit Form W-8IMY to establish the partnership or grantor trust as a look through entity. The Form W-8IMY may be accompanied by this form or another version of Form W-8 or Form W-9 to establish the foreign or domestic status of a partner or grantor or other owner. See Regulations section 1.1446-1.

Hybrid entity. A hybrid entity is any person (other than an individual) that is treated as fiscally transparent (see below) in the United States but is not treated as fiscally transparent by a country with which the United States has an income tax treaty. Hybrid entity status is relevant for claiming treaty benefits. See the instructions for line 9c on page 5.

Reverse hybrid entity. A reverse hybrid entity is any person (other than an individual) that is not fiscally transparent under U.S. tax law principles but that is fiscally transparent under the laws of a jurisdiction with which the United States has an income tax treaty. See the instructions for line 9c on page 5.

Fiscally transparent entity. An entity is treated as fiscally transparent with respect to an item of income for which treaty benefits are claimed to the extent that the interest holders in the entity must, on a current basis, take into account separately their shares of an item of income paid to the entity, whether or not distributed, and must determine the character of the items of income as if they were realized directly from the sources from which realized by the entity. For example, partnerships, common trust funds, and simple trusts or grantor trusts are generally considered to be fiscally transparent with respect to items of income received by them.

Disregarded entity. A business entity that has a single owner and is not a corporation under Regulations section 301.7701-2(b) is disregarded as an entity separate from its owner.

A disregarded entity shall not submit this form to a partnership for purposes of section 1446. Instead, the owner of such entity shall provide appropriate documentation. See Regulations section 1.1446-1.

Amounts subject to withholding. Generally, an amount subject to withholding is an amount from sources within the United States that is fixed or determinable annual or periodical (FDAP) income. FDAP income is all income included in gross income, including interest (as well as OID), dividends, rents, royalties, and compensation. FDAP income does not include most gains from the sale of property (including market discount and option premiums).

For purposes of section 1446, the amount subject to withholding is the foreign partner's share of the partnership's effectively connected taxable income.

Withholding agent. Any person, U.S. or foreign, that has control, receipt, or custody of an amount subject to withholding or who can disburse or make payments of an amount subject to withholding is a withholding agent. The withholding agent may be an individual, corporation, partnership, trust, association, or any other entity, including (but not limited to) any foreign intermediary, foreign partnership, and U.S. branches of certain foreign banks and insurance companies. Generally, the person who pays (or causes to be paid) the amount subject to withholding to the foreign person (or to its agent) must withhold.

For purposes of section 1446, the withholding agent is the partnership conducting the trade or business in the United States. For a publicly traded partnership, the withholding agent may be the partnership, a nominee holding an interest on behalf of a foreign person, or both. See Regulations sections 1.1446-1 through 1.1446-6.

Specific Instructions

TIP *A hybrid entity should give Form W-8BEN to a withholding agent only for income for which it is claiming a reduced rate of withholding under an income tax treaty. A reverse hybrid entity should give Form W-8BEN to a withholding agent only for income for which no treaty benefit is being claimed.*

Part I

Line 1. Enter your name. If you are a disregarded entity with a single owner who is a foreign person and you are not claiming treaty benefits as a hybrid entity, this form should be completed and signed by your foreign single owner. If the account to which a payment is made or credited is in the name of the disregarded entity, the foreign single owner should inform the withholding agent of this fact. This may be done by including the name and account number of the disregarded entity on line 8 (reference number) of the form. However, if you are a disregarded entity that is claiming treaty benefits as a hybrid entity, this form should be completed and signed by you.

Line 2. If you are a corporation, enter the country of incorporation. If you are another type of entity, enter the country under whose laws you are created, organized, or governed. If you are an individual, enter N/A (for "not applicable").

Line 3. Check the one box that applies. By checking a box, you are representing that you qualify for this classification. You must check the box that represents your classification (for example, corporation, partnership, trust, estate, etc.) under U.S. tax principles. Do not check the box that describes your status under the law of the treaty country. If you are a partnership or disregarded entity receiving a payment for which treaty benefits are being claimed, you must check the "Partnership" or "Disregarded entity" box. If you are a sole proprietor, check the "Individual" box, not the "Disregarded entity" box.

CAUTION *Only entities that are tax-exempt under section 501 should check the "Tax-exempt organization" box. Such organizations should use Form W-8BEN only if they are claiming a reduced rate of withholding under an income tax treaty or some code exception other than section 501. Use Form W-8EXP if you are claiming an exemption from withholding under section 501.*

Line 4. Your permanent residence address is the address in the country where you claim to be a resident for purposes of that country's income tax. If you are giving Form W-8BEN to claim a reduced rate of withholding under an income tax treaty, you must determine your residency in the manner required by the treaty. Do not show the address of a financial institution, a post office box, or an address used solely for mailing purposes. If you are an individual who does not have a tax residence in any country, your permanent residence is where you normally reside. If you are not an individual and you do not have a tax residence in any country, the permanent residence address is where you maintain your principal office.

Line 5. Enter your mailing address only if it is different from the address you show on line 4.

Line 6. If you are an individual, you are generally required to enter your social security number (SSN). To apply for an SSN, get Form SS-5 from a Social Security Administration (SSA) office or, if in the United States, you may call the SSA at 1-800-772-1213. Fill in Form SS-5 and return it to the SSA.

If you do not have an SSN and are not eligible to get one, you must get an individual taxpayer identification number (ITIN). To apply for an ITIN, file Form W-7 with the IRS. It usually takes 4-6 weeks to get an ITIN.

CAUTION *An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.*

If you are not an individual or you are an individual who is an employer or you are engaged in a U.S. trade or business as a sole proprietor, you must enter an employer identification number (EIN). If you do not have an EIN, you should apply for one on Form SS-4, Application for Employer Identification Number. If you are a disregarded entity claiming treaty benefits as a hybrid entity, enter your EIN.

A partner in a partnership conducting a trade or business in the United States will likely be allocated effectively connected taxable income. The partner is

required to file a U.S. federal income tax return and must have a U.S. taxpayer identification number (TIN).

You must provide a U.S. TIN if you are:
- Claiming an exemption from withholding under section 871(f) for certain annuities received under qualified plans,
- A foreign grantor trust with 5 or fewer grantors,
- Claiming benefits under an income tax treaty, or
- Submitting the form to a partnership that conducts a trade or business in the United States.

However, a U.S. TIN is not required to be shown in order to claim treaty benefits on the following items of income:
- Dividends and interest from stocks and debt obligations that are actively traded;
- Dividends from any redeemable security issued by an investment company registered under the Investment Company Act of 1940 (mutual fund);
- Dividends, interest, or royalties from units of beneficial interest in a unit investment trust that are (or were upon issuance) publicly offered and are registered with the SEC under the Securities Act of 1933; and
- Income related to loans of any of the above securities.

TIP *You may want to obtain and provide a U.S. TIN on Form W-8BEN even though it is not required. A Form W-8BEN containing a U.S. TIN remains valid for as long as your status and the information relevant to the certifications you make on the form remain unchanged provided at least one payment is reported to you annually on Form 1042-S.*

Line 7. If your country of residence for tax purposes has issued you a tax identifying number, enter it here. For example, if you are a resident of Canada, enter your Social Insurance Number.

Line 8. This line may be used by the filer of Form W-8BEN or by the withholding agent to whom it is provided to include any referencing information that is useful to the withholding agent in carrying out its obligations. For example, withholding agents who are required to associate the Form W-8BEN with a particular Form W-8IMY may want to use line 8 for a referencing number or code that will make the association clear. A beneficial owner may use line 8 to include the number of the account for which he or she is providing the form. A foreign single owner of a disregarded entity may use line 8 to inform the withholding agent that the account to which a payment is made or credited is in the name of the disregarded entity (see instructions for line 1 on page 4).

Part II

Line 9a. Enter the country where you claim to be a resident for income tax treaty purposes. For treaty purposes, a person is a resident of a treaty country if the person is a resident of that country under the terms of the treaty.

Line 9b. If you are claiming benefits under an income tax treaty, you must have a U.S. TIN unless one of the exceptions listed in the line 6 instructions above applies.

Line 9c. An entity (but not an individual) that is claiming a reduced rate of withholding under an income tax treaty must represent that it:
- Derives the item of income for which the treaty benefit is claimed, and
- Meets the limitation on benefits provisions contained in the treaty, if any.

An item of income may be derived by either the entity receiving the item of income or by the interest holders in the entity or, in certain circumstances, both. An item of income paid to an entity is considered to be derived by the entity only if the entity is not fiscally transparent under the laws of the entity's jurisdiction with respect to the item of income. An item of income paid to an entity shall be considered to be derived by the interest holder in the entity only if:
- The interest holder is not fiscally transparent in its jurisdiction with respect to the item of income, and
- The entity is considered to be fiscally transparent under the laws of the interest holder's jurisdiction with respect to the item of income. An item of income paid directly to a type of entity specifically identified in a treaty as a resident of a treaty jurisdiction is treated as derived by a resident of that treaty jurisdiction.

If an entity is claiming treaty benefits on its own behalf, it should complete Form W-8BEN. If an interest holder in an entity that is considered fiscally transparent in the interest holder's jurisdiction is claiming a treaty benefit, the interest holder should complete Form W-8BEN on its own behalf and the fiscally transparent entity should associate the interest holder's Form W-8BEN with a Form W-8IMY completed by the entity.

CAUTION *An income tax treaty may not apply to reduce the amount of any tax on an item of income received by an entity that is treated as a domestic corporation for U.S. tax purposes. Therefore, neither the domestic corporation nor its shareholders are entitled to the benefits of a reduction of U.S. income tax on an item of income received from U.S. sources by the corporation.*

To determine whether an entity meets the limitation on benefits provisions of a treaty, you must consult the specific provisions or articles under the treaties. Income tax treaties are available on the IRS website at *www.irs.gov*.

TIP *If you are an entity that derives the income as a resident of a treaty country, you may check this box if the applicable income tax treaty does not contain a "limitation on benefits" provision.*

Line 9d. If you are a foreign corporation claiming treaty benefits under an income tax treaty that entered into force before January 1, 1987 (and has not been renegotiated) on (a) U.S. source dividends paid to you by another foreign corporation or (b) U.S. source interest paid to you by a U.S. trade or business of another foreign corporation, you must generally be a "qualified resident" of a treaty country. See section 884 for the definition of interest paid by a U.S. trade or business of a foreign corporation ("branch interest") and other applicable rules.

In general, a foreign corporation is a qualified resident of a country if any of the following apply.
- It meets a 50% ownership and base erosion test.
- It is primarily and regularly traded on an established securities market in its country of residence or the United States.
- It carries on an active trade or business in its country of residence.
- It gets a ruling from the IRS that it is a qualified resident.

See Regulations section 1.884-5 for the requirements that must be met to satisfy each of these tests.

If you are claiming treaty benefits under an income tax treaty entered into force after December 31, 1986, do not check box 9d. Instead, check box 9c.

Line 9e. Check this box if you are related to the withholding agent within the meaning of section 267(b) or 707(b) and the aggregate amount subject to withholding received during the calendar year will exceed $500,000. Additionally, you must file Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b).

Line 10

Line 10 must be used only if you are claiming treaty benefits that require that you meet conditions not covered by the representations you make in lines 9a through 9e. However, this line should always be completed by foreign students and researchers claiming treaty benefits. See *Scholarship and fellowship grants* below for more information.

The following are additional examples of persons who should complete this line.

- Exempt organizations claiming treaty benefits under the exempt organization articles of the treaties with Canada, Mexico, Germany, and the Netherlands.
- Foreign corporations that are claiming a preferential rate applicable to dividends based on ownership of a specific percentage of stock.
- Persons claiming treaty benefits on royalties if the treaty contains different withholding rates for different types of royalties.

This line is generally not applicable to claiming treaty benefits under an interest or dividends (other than dividends subject to a preferential rate based on ownership) article of a treaty.

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes. The individual must use Form W-9 to claim the tax treaty benefit. See the instructions for Form W-9 for more information. Also see *Nonresident alien student or researcher who becomes a resident alien* later for an example.

Scholarship and fellowship grants. A nonresident alien student (including a trainee or business apprentice) or researcher who receives noncompensatory scholarship or fellowship income may use Form W-8BEN to claim benefits under a tax treaty that apply to reduce or eliminate U.S. tax on such income. No Form W-8BEN is required unless a treaty benefit is being claimed. A nonresident alien student or researcher who receives compensatory scholarship or fellowship income must use Form 8233 to claim any benefits of a tax treaty that apply to that income. The student or researcher must use Form W-4 for any part of such income for which he or she is not claiming a tax treaty withholding exemption. Do not use Form W-8BEN for compensatory scholarship or fellowship income. See *Compensation for Dependent Personal Services* in the Instructions for Form 8233.

If you are a nonresident alien individual who received noncompensatory scholarship or fellowship income and personal services income (including compensatory scholarship or fellowship income) from the same withholding agent, you may use Form 8233 to claim a tax treaty withholding exemption for part or all of both types of income.

Completing lines 4 and 9a. Most tax treaties that contain an article exempting scholarship or fellowship grant income from taxation require that the recipient be a resident of the other treaty country at the time of, or immediately prior to, entry into the United States. Thus, a student or researcher may claim the exemption even if he or she no longer has a permanent address in the other treaty country after entry into the United States. If this is the case, you may provide a U.S. address on line 4 and still be eligible for the exemption if all other conditions required by the tax treaty are met. You must also identify on line 9a the tax treaty country of which you were a resident at the time of, or immediately prior to, your entry into the United States.

Completing line 10. You must complete line 10 if you are a student or researcher claiming an exemption from taxation on your scholarship or fellowship grant income under a tax treaty.

Nonresident alien student or researcher who becomes a resident alien. You must use Form W-9 to claim an exception to a saving clause. See *Nonresident alien who becomes a resident alien* on this page for a general explanation of saving clauses and exceptions to them.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would complete Form W-9.

Part III

If you check this box, you must provide the withholding agent with the required statement for income from a notional principal contract that is to be treated as income not effectively connected with the conduct of a trade or business in the United States. You should update this statement as often as necessary. A new Form W-8BEN is not required for each update provided the form otherwise remains valid.

Part IV

Form W-8BEN must be signed and dated by the beneficial owner of the income, or, if the beneficial owner is not an individual, by an authorized representative or

officer of the beneficial owner. If Form W-8BEN is completed by an agent acting under a duly authorized power of attorney, the form must be accompanied by the power of attorney in proper form or a copy thereof specifically authorizing the agent to represent the principal in making, executing, and presenting the form. Form 2848, Power of Attorney and Declaration of Representative, may be used for this purpose. The agent, as well as the beneficial owner, may incur liability for the penalties provided for an erroneous, false, or fraudulent form.

Broker transactions or barter exchanges. Income from transactions with a broker or a barter exchange is subject to reporting rules and backup withholding unless Form W-8BEN or a substitute form is filed to notify the broker or barter exchange that you are an exempt foreign person.

You are an exempt foreign person for a calendar year in which:

- You are a nonresident alien individual or a foreign corporation, partnership, estate, or trust;
- You are an individual who has not been, and does not plan to be, present in the United States for a total of 183 days or more during the calendar year; and
- You are neither engaged, nor plan to be engaged during the year, in a U.S. trade or business that has effectively connected gains from transactions with a broker or barter exchange.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping,** 5 hr., 58 min.; **Learning about the law or the form,** 3 hr., 46 min.; **Preparing and sending the form to IRS,** 4 hr., 2 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can email us at **taxforms@irs.gov*. Please put "Forms Comment" on the subject line. Or you can write to Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send Form W-8BEN to this office. Instead, give it to your withholding agent.

EXHIBIT "17"

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWN PAYMENTS

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWN PAYMENTS

(Send this application to the reviewing attorney assigned to the subject plan.)

Re: 254 Park Avenue South, New York, New York
Address of Building or
Name of Project

File Number:_____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant _____

2. Address of Applicant _____

3. Name, Address, and Telephone Number of Applicant's Attorney (if any) _____

4. This is an application for
   - [ ] return of down payment.
   - [ ] forfeiture of down payment.
   - [ ] other: _____

5. The project is
   - [ ] a conversion of occupied premises.
   - [ ] newly constructed or rehabilitated.
   - [ ] vacant (as is).

6. The project is structured as
   - [ ] a cooperative.
   - [ ] a condominium.
   - [ ] a homeowners association.
   - [ ] a time share.
   - [ ] other: _____

7. Name and Address of Sponsor: _____

_____

8. Name and Address of Escrow Agent: _____

_____

9. If down payments are maintained in an escrow account:

(a) Name of account _____

(b) Name and address of bank _____

(c) Account number (if known) _____

(d) Initial interest rate (if known) _____

10. If down payments have been secured by bonds:

(a) Name and address of bond issuer or surety:_____

_____

(b) Copy of bond included in this application.
(DO NOT SEND ORIGINAL BOND.) If not included, explain:

_____

_____

_____

11. If down payments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit:

_____

_____

_____

(b) Date of expiration of the letter of credit, if known:

_____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan

[ ] has been declared effective. Approximate date:

_____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date: _____

[ ] has not closed.

[ ] don't know.

(d) Down payments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of down payment(s): _____

(d) Total amount of down payment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____

_____

_____

_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____

_____

_____

_____

_____

_____

_____

_____

15. I am contemporaneously sending a copy of this application to the following persons:

_____
_____
_____
_____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature:_____ Date: _____

Name (Printed): _____

Telephone: (Home): _____ (Business): _____

Mailing Address: _____
_____
_____

EXHIBIT "18"

PROPERTY DEED

DEED

THIS INDENTURE, made the 15th day of December, 2005 between **COLUMBIA 254 PARK AVENUE SOUTH, LLC**, having an office at c/o The General Investment & Development Companies, 600 Atlantic Avenue, Suite 2000, Boston, Massachusetts 02210, party of the first part, and **254 PAS PROPERTY LLC**, having an office at c/o The Mamiye Group, 112 West 34th Street, Suite 1000, New York, New York 10120, party of the second part.

WITNESSETH, that the party of the first part, in consideration of Ten Dollars ($10.00) and other valuable consideration paid by the party of the second part, does hereby grant and release unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the:

see legal description on **Schedule A** attached hereto and incorporated herein by this reference,

SUBJECT TO:

1. Agreement by and between Jacob and Mary Campbell and George Kober dated July 6, 1847 and recorded July 17, 1847 in Liber 281 at Cp. 55 and repeated in Liber 493 Cp. 237;
2. Terms, Covenants, Restrictions and Easements made by and between New York Mutual Casualty Insurance Company and The First National City Bank of New York, dated April 26, 1957 and recorded August 3, 1960 in Liber 5123 Cp. 248; and
3. Agreement made by and between 252 Fourth Avenue Company and The National City Bank of New York, dated October 1, 1930 and recorded October 1, 1930 in Liber 3783 Cp. 159.

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any streets and roads abutting the above described premises to the center lines thereof.

TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises.

TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the first part covenants that the party of the first part has not done or suffered anything whereby the said premises have been incumbered in any way whatever, except as aforesaid.

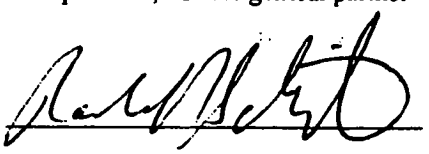
AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose. The word "party" shall be construed as if it read "parties" wherever the sense of this indenture so requires.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

COLUMBIA 254 PARK AVENUE SOUTH, LLC

By: Columbia Perfco Limited Partnership,
an Oregon limited partnership,
its sole member and manager

By: Columbia Perfco Holdings Corporation,
an Oregon corporation, its sole general partner

By: 

Name: Ronald D. Schmitz

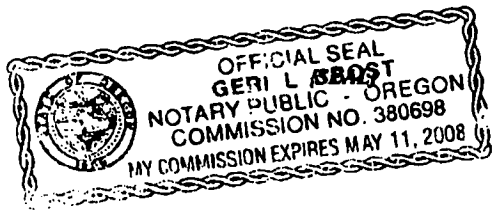
Title: President

THIS DOCUMENT PREPARED BY AND
AFTER RECORDING RETURN TO:
Jeffrey M. Schwartz
Wolf Haldenstein Adler Freeman + Herz
270 Madison Avenue
New York, NY 10016

W:\Invest\Real Estate\McKenzie\254 Park\Park (254)Deed(revised).doc

COUNTY OF MARION)
) SS.
STATE OF OREGON)

On the 9 day of December in the year 2005 before me, the undersigned, personally appeared Ron Schmitz, 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), 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.



Geri L Brost
Notary Public
My Commission Expires: May 11, 2008

SCHEDULE A

DESCRIPTION OF PROPERTY

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN, CITY, COUNTY AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY SIDE OF 20TH STREET WITH THE WESTERLY SIDE OF PARK AVENUE SOUTH; RUNNING THENCE WESTERLY ALONG THE NORTHERLY SIDE OF 20TH STREET, 125 FEET; THENCE NORTHERLY AND PARALLEL WITH THE WESTERLY SIDE OF PARK AVENUE SOUTH, 92 FEET TO THE CENTER LINE OF THE BLOCK; THENCE EASTERLY AND ALONG SAID CENTER LINE OF THE BLOCK AND FOR PART OF THE WAY THROUGH A PARTY WALL, 125 FEET TO THE WESTERLY SIDE OF PARK AVENUE SOUTH; THENCE SOUTHERLY ALONG THE WESTERLY SIDE OF PARK AVENUE SOUTH, 92 FEET TO THE POINT OR PLACE OF BEGINNING.

TOGETHER WITH ALL THE RIGHT, TITLE AND INTEREST OF THE PARTY OF THE FIRST PART, OF IN AND TO THE LAND LYING IN THE STREET IN FRONT OF AND ADJOINING SAID PREMISES.

EXHIBIT "19"

SECTION 352-eeee OF THE GENERAL BUSINESS LAW

---

§352-eeee. Conversions to cooperative or condominium ownership in the City of New York.

1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan". Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan". A plan which may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction plan". A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) "Purchaser under the plan". A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible senior citizens". Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(g) "Eligible disabled persons". Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not

commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or condominium ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a nonpurchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration

of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling until shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered

architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers, at which time the cooperative corporation or the condominium association shall assume responsibility for the provision of all services and facilities required by law on a non-discriminatory basis.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

EXHIBIT "20"

RESERVE FUND LAW

LOCAL LAW 70

To amend the administrative code of the city of New York, in relation to the conversion of residential rental housing to cooperative or condominium ownership.

Be it enacted by the Council as follows:

Section 1. Legislative declaration. The council finds that the protection of the health, safety and welfare of persons within the city who reside in residential buildings being converted from rental status to cooperative or condominium ownership requires that such persons be informed of the physical condition of such buildings and of any outstanding notices of code violations issued with respect to such buildings. The council further finds that for the health, safety and welfare of residents of the city and for the preservation and improvement of this substantial and increasing form of housing accommodation it is essential that funds be set aside for the purpose of making capital repairs, replacements and improvements to such buildings.

Section 2. Chapter fifty-one of the administrative code of the city of New York is amended by adding a new title YYYY to read as follows:

TITLE YYYY

COOPERATIVE AND CONDOMINIUM CONVERSIONS

§ YYYY51-1.0 Application.

The provisions of this title shall apply to conversions from rental to cooperative or condominium status of a building or a group of buildings or a development for which a plan must be filed with the state department of law pursuant to section three hundred fifty-two-eeee of the general business law.

§ YYYY51-2.0 Definitions.

As used in this title the following words shall mean:

a. "Building"-any building, group of buildings or development.

b. "Total Price"-

(1) with respect to cooperative conversions, the number of all shares in the offering multiplied by the last price per share which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made;

(2) with respect to condominium conversions, the sum of the cost of all Apartments in the offering at the last price which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made.

c. "Capital replacement" - a building-wide replacement of a major component of any of the following systems:

(1) elevator;
(2) heating, ventilation and air conditioning;
(3) plumbing;
(4) wiring;
(5) windows;

or, a major structural replacement to the building; provided, however, that replacements made to cure code violations of record shall not be included.

d. "Offeror" - the offeror, his nominees, assignees and successors in interest.

§ YYYY51-3.0 Establishment of reserve fund.

a. Within thirty days after the closing of a conversion pursuant to an offering plan the offeror shall establish and transfer to the cooperative corporation or cooperative board of managers, a reserve fund to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such buildings. Such reserve fund shall be exclusive of any other funds required to be reserved under the plan or applicable law or regulation of the state attorney general, except a fund for capital repairs, replacements and improvements substantially similar in purpose to and in an amount not less than the reserve fund mandated by this section. Such reserve fund also shall be exclusive of any working capital fund and shall not be subject to reduction for closing apportionments.

b. Such fund shall be established in an amount equal to either (i) three per cent of the total price or, (ii) (A) three per cent of the actual sales price of all cooperative shares or condominium Apartments sold by the offeror at the time the plan is declared effective, provided, however, that if such amount is less than one per cent of the total price, then the fund shall be established as a minimum of one per cent of the total price; plus (B) supplemental contributions to be made by the offeror at a rate of three per cent of the actual sales price of cooperative shares or condominium Apartments for each Apartment or its allocable shares held by the offeror and sold to bona fide purchasers subsequent to the effective date of the plan and within 5 years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed three per cent of the total price; and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than three per cent of the total price the offeror shall pay the difference between the amount contributed and three per cent of the total price. Supplemental contributions shall be made within 30 days of each sale.

c. The contributions required pursuant to this section may be made earlier or in an amount greater than so provided. An offeror may claim and receive credit against the mandatory initial contribution to the reserve fund for the actual cost of capital replacements which he has begun after the plan is submitted for filing to the state department of law and before the plan is declared effective; provided, however, that any such replacements must be set forth in the plan together with their actual or estimated costs and further provided, that such credit shall not exceed the lesser of the actual cost of the capital replacements or one per cent of the total price.

d. Any building, construction of which was completed within three years prior to the closing of a conversion pursuant to an offering plan, shall be exempt from the requirements of this section.

§ YYYY51-4.0 Report on status of reserve fund.

The cooperative corporation or cooperative board of managers shall report to shareholders and Shareholders on a semi-anneal basis with respect to all deposits into and withdrawals from the reserve fund mandated by section YYYY51-3.0.

§ YYYYS51-5.0 Posting of violations.

The offeror, not later than the thirtieth day following the acceptance of a plan for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law and until the closing of the conversion pursuant to such plan, shall post and maintain in a prominent place, accessible to all tenants in each building covered by the plan, a listing of all violations of record against such buildings as determined by the department of buildings and the department of housing preservation and development. All newly issued violations shall be posted within forty-eight hours of their issuance and maintained as described above. The offeror may satisfy the requirements of this section by designating an agent on the premises with whom such listing shall be made available for inspection by the tenants.

§ YYYY51-6.0 Report on condition of premises.

Where, pursuant to law or regulation of the state attorney general, an offeror is required to file a report with the state department of law describing the condition of the physical aspects of the premises to be converted and the surrounding neighborhood a copy of such report shall be submitted simultaneously to the commissioner of buildings.

§ YYYY51-7.0 No waiver of rights.

Any provision purporting to waive the provisions of this title in any contract to purchase or agreement between an offeror and the cooperative corporation or the cooperative board of managers pursuant to a conversion plan shall be void as against public policy.

§ YYYY51-8.0 Criminal and civil penalties; enforcement.

a. Except as otherwise provided in subdivision b of this section, any person who knowingly violates or assists in the violation of any section of this title shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred nor more than one thousand dollars. Except as otherwise provided in subdivision b of this section, any person who violates or assists in the violation of any section of this title shall be subject to a civil penalty of one hundred dollars per day per Apartment for each day that a building is not in compliance with the provisions of such sections; provided, however, that such civil penalty shall not exceed one thousand dollars per Apartment.

b. Any person who knowingly violates or assists in the violation of section YYYY 51-3.0 shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not more than two times the amount required to be reserved by section YYYY 51-3.0 which was not so reserved. Any person who violates or assists in the violation of section YYYY 51-3.0 shall also be subject to a civil penalty of one thousand dollars per day for each day that the reserve fund required by section YYYY 51-3.0 is not established; provided, however, that such civil penalty shall not exceed the amount required to be reserved pursuant to section YYYY 51-3.0.

c. In addition, any other action or proceeding in any court of competent jurisdiction that may be appropriate or necessary for the enforcement of the provisions of this title may be brought in the name of the city, including actions to secure permanent injunctions enjoining any acts or practices which constitute a violation of any provision of this title, mandating compliance with the provisions of this title or for such other relief as may be appropriate. In any such action or proceeding the city may apply to any court of competent jurisdiction, or to a judge or justice thereof, for a temporary restraining order or preliminary injunction enjoining and restraining all persons from violating any provision of this title, mandating compliance with the provisions of this title, or for such other relief as may be appropriate, until the hearing and determination of such action or proceeding and the entry of final judgment or order therein. The court, or judge or justice thereof, to whom such application is made, is hereby authorized forthwith to make any or all of the orders above specified, as may be required in such application, with or without notice, and to make such other or further orders or directions as may be necessary to render the same effectual. No undertaking shall be required as a condition of the granting or issuing of such order, or by reason thereof.

d. Nothing contained in this section shall impair any rights, remedies or causes of action accrued or accruing to purchasers of cooperative shares or condominium Apartments.

e. The department of housing preservation and development is empowered to enforce the provisions of this title.

Section 3. If any provision of this local law or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this local law and the applicability of such provision to any other person or circumstances shall not be affected thereby.

Section 4. This local law shall take effect February first nineteen hundred eighty-three and shall apply to all plans not yet accepted for filing by the state department of law pursuant to section three hundred fifty-two eeee of the general business law as of that date.

EXHIBIT "21"

REAL PROPERTY LAW §339-kk

SECTION 339-kk OF REAL PROPERTY LAW

(a) For purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date , the board of managers shall provide written notice to the tenant and the non-occupying owner provided that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board received notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

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

EXHIBIT "22"

SPECIMEN TITLE POLICY

ALTA Owner's Policy
(10-17-92)

POLICY OF TITLE INSURANCE

Policy No. Y 3008-125851
SPECIMEN

First American Title Insurance Company of New York

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY OF NEW YORK, a New York corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

First American Title Insurance Company of New York

Countersigned

By: Margaret J. O'Brien

Margaret J. O'Brien, Secretary

First American Title Insurance Company of New York

By: James M. Orphanides

James M. Orphanides, President

First American Title Insurance Company of New York

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses, which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws that is based on: (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule (A), and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A), nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1 (a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to Title Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

First American Title Insurance Company of New York

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action, which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest, as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy, which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION AND EXTENT OF LIABILITY AND COINSURANCE.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or (ii) where a subsequent improvement has

been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule (A) consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) **The Company's Right of Subrogation.**

Whenever the Company shall have settled and paid under this policy, all right of subrogation shall vest in the company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion, which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) **The Company's Rights Against non-insured Obligors** .

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION.

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is $1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of $1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered

hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY.

In the event any provision of this policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at 633 Third Avenue, New York, NY 10017.

First American Title Insurance Company of New York

Policy No. **Y 3008-125851 SPECIMEN**

ALTA Owner's Policy
(10/17/92)
Schedule A

SCHEDULE A

Amount of Insurance: $_____

Date of Policy:

1. *Name of Insured:* _____

2. *Your interest in the Land, covered by this Policy is:*

   FEE SIMPLE

3. *Title to the estate or interest in the land is vested in the Insured by means of a deed made by 254 PAS PROPERTY LLC dated _____ and being duly recorded in the Office of the Register, New York County.*

4. The land referred to in this policy is described as follows:
   (SEE SCHEDULE "C" ATTACHED)

FOR INFORMATION ONLY:

Premises: 254 Park Avenue South, Unit No. ___,
Condominium to be formed,
New York, New York

County: New York City: New York

Section: 3 Block: 849 Lot: Unit To be apportioned from Base Lot: 36

First American Title Insurance Company of New York

Policy No. **Y 3008-125851 SPECIMEN**

ALTA Owner's Policy
(10/17/92)
Schedule B

SCHEDULE B

EXCEPTIONS FROM COVERAGE

1. AS TO THE BUILDING: Any state of facts which a guaranteed survey of current date would disclose.

   AS TO THE UNIT: With respect to Condominium Unit No. _____ , the title to which is to be insured herein, policy excepts any state of facts which an accurate survey would disclose. Policy insures, however, that any encroachment of the Unit onto other Units or onto any part of the common elements may remain undisturbed as long as the Unit insured here under exists.

2. Covenants and/or restrictions set forth in an Agreement by and between JACOB CAMPBELL and MARY, his wife and GEORGE KOBER, dated 7/6/1847, and recorded 7/17/1847 in Liber 281 at Cp. 55 and repeated in Liber 493 Cp. 237. Policy insures that the same will not prevent the use of the Unit for residential purposes.

3. Terms, covenants and conditions of an unrecorded lease made by and between HAROLD THURMAN and PATRICK CONSALVAS and 254 Park Avenue South Associates, dated 7/28/1978. Policy insures that the same will not prevent the use of the Unit for residential purposes.

4. Terms, Covenants, Restrictions and Easements made by and between New York Mutual Casuality Insurance Co. and The First National City Bank of New York, dated 04/26/1957 and recorded 08/03/1960 in Liber 5123 Cp. 248. Policy insures that any violations thereof will not result in a forfeiture or reversion of title. Policy insures that the same will not prevent the use of the Unit for residential purposes.

   WITH REGARDS THERETO:

   a) Agreement made by and between 252 Fourth Avenue Company and The National City Bank of New York, dated 10/01/1930 and recorded 10/01/1930 in Liber 3783 Cp. 159. Policy insures that any violations thereof will not result in a forfeiture or reversion of title. Policy insures that the same will not prevent the use of the Unit for residential purposes.

5. Terms, Restrictions and Conditions set forth in the Declaration of Condominium and By - Laws of the _____ Condominium dated _____, recorded _____ in(as) _____; but the Policy insures against loss or damage occasioned by the premises not being a part of a Condominium validly created pursuant to Article 9-B of the Real Property Law, as amended.

6. Power of Attorney to the Board of Managers of the _____ Condominium, and their successors in office dated _____ ___, 20___ and to be recorded in the office of the Register, New York County, as provided in the Declaration and By - Laws of the _____ Condominium.

7. Declaration of Easements, dated as of September 20, 2005 made by and between COLUMBIA 254 PARK AVENUE SOUTH, LLC and 260 PARK AVENUE SOUTH, LLC and recorded 12/23/2005 as CRFN 2005000705078. Policy insures that the same will not prevent the use of the Unit for residential purposes.

First American Title Insurance Company of New York

8. AMENDED, RESTATED AND CONSOLIDATED MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT made by and between 260 PARK AVENUE SOUTH, LLC and HSH NORDBANK AG NEW YORK BRANCH, a branch of German banking corporation, its successors and assigns as administrative agent for the Lenders, securing the principal amount of $86,000,000.00 dated 8/29/2005 and recorded 9/16/2005 in CRFN: 2005000517223. (Affects the Declaration of Easements recorded on 12/23/2005 as CRFN 2005000705078 in the event of the foreclosure of said mortgage which affects the premises Block 849 lot 43.)

9. Real Estate Taxes to be allocated to each condominium unit.

First American Title Insurance Company of New York

Policy No. **Y 3008-125851 SPECIMEN**

SURVEY READING

First American Title Insurance Company of New York

Policy No. **Y 3008-125851 SPECIMEN**

SCHEDULE C
DESCRIPTION

THE CONDOMINIUM UNIT (THE "UNIT) KNOWN AS UNIT NO._____ IN THE BUILDING DESIGNATED AS _____ IN THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF SAID PREMISES UNDER ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK (THE "NEW YORK CONDOMINIUM ACT"), DATED_____AND RECORDED IN THE OFFICE OF THE REGISTER OF NEW YORK COUNTY (THE "REGISTER'S OFFICE") ON _____ AS CRFN _____, ALSO DESIGNATED AS TAX LOT____ IN BLOCK 849, OF THE BOROUGH OF MANHATTAN ON THE TAX MAP OF THE REAL PROPERTY ASSESSMENT DEPARTMENT OF THE CITY OF NEW YORK AND ON THE FLOOR PLANS OF SAID BUILDING, CERTIFIED BY _____ ARCHITECT, AND FILED WITH THE REAL PROPERTY ASSESSMENT DEPARTMENT OF THE CITY OF NEW YORK AS CONDOMINIUM PLAN NO._____, AND ALSO FILED IN THE CITY REGISTER'S OFFICE ON _____ AS MAP NO._____.

TOGETHER WITH AN UNDIVIDED _____% INTEREST IN COMMON ELEMENTS.

THE PREMISES WITHIN WHICH THE UNIT IS LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN, CITY, COUNTY AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY SIDE OF 20TH STREET WITH THE WESTERLY SIDE OF PARK AVENUE SOUTH;

RUNNING THENCE WESTERLY ALONG THE NORTHERLY SIDE OF 20TH STREET, 125 FEET;

THENCE NORTHERLY AND PARALLEL WITH THE WESTERLY SIDE OF PARK AVENUE SOUTH, 92 FEET TO THE CENTER LINE OF THE BLOCK;

THENCE EASTERLY AND ALONG SAID CENTER LINE OF THE BLOCK AND FOR PART OF THE WAY THROUGH A PARTY WALL, 125 FEET TO THE WESTERLY SIDE OF PARK AVENUE SOUTH;

THENCE SOUTHERLY ALONG THE WESTERLY SIDE OF PARK AVENUE SOUTH, 92 FEET TO THE POINT OR PLACE OF BEGINNING.

TOGETHER WITH THE BENEFITS OF THE EASEMENTS CONTAINED IN THE DECLARATION OF EASEMENTS, DATED AS OF SEPTEMBER 20, 2005 MADE BY AND BETWEEN COLUBIA 254 PARK AVENUE SOUTH, LLC AND 260 PARK AVENUE SOUTH, LLC AND RECORDED ON 12/23/2005 AS CRFN 2005000705078.

THE policy will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

First American Title Insurance Company of New York

STANDARD NEW YORK ENDORSEMENT (OWNER'S POLICY)

Title No. **3008-125851 SPECIMEN**

Attached to and made part of First American Title Insurance Company of New York Policy No. **Y 3008-125851 SPECIMEN**

1. The following is added to the insuring provisions on the face page of this policy:

"5. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. The following is added to Paragraph 7 of the Conditions and Stipulations of this policy:

"(d) If the recording date of the instruments creating the insured interest is later than the policy date, such policy shall also cover intervening liens or encumbrances, except real estate taxes, assessments, water charges and sewer rents."

Nothing herein contained shall be construed as extending or changing the effective date of the policy, unless otherwise expressly stated.

This Endorsement, when countersigned below by a validating signatory, is made part of the policy and is subject to the exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions hereof.

IN WITNESS WHEREOF, First American Title Insurance Company of New York has caused this Endorsement to be signed and sealed on its date of issue set forth herein.

Dated:

Countersigned

By: Margaret J. O'Brien

Margaret J. O'Brien, Secretary

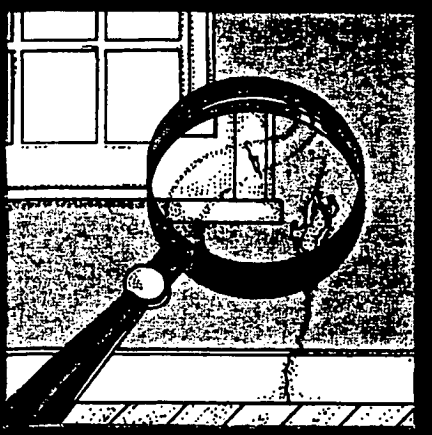
First American Title Insurance Company of New York

By: James M. Orphanides

James M. Orphanides, President

EXHIBIT "23"

LEAD BASED PAINT BOOKLET



Protect Your Family From Lead In Your Home

EPA United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

OWNERS, BUYERS, and RENTERS are encouraged to check for lead (see page 6) before renting, buying or renovating pre-1978 housing.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:

LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure about lead-based paint.

SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure about lead-based paint. Buyers have up to 10 days to check for lead.

RENOVATORS disturbing more than 2 square feet of painted surfaces have to give you this pamphlet before starting work.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

FACT: Lead exposure can harm young children and babies even before they are born.

FACT: Even children who seem healthy can have high levels of lead in their bodies.

FACT: People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.

FACT: People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.

FACT: Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

Childhood lead poisoning remains a major environmental health problem in the U.S.

Even children who appear healthy can have dangerous levels of lead in their bodies.

People can get lead in their body if they:

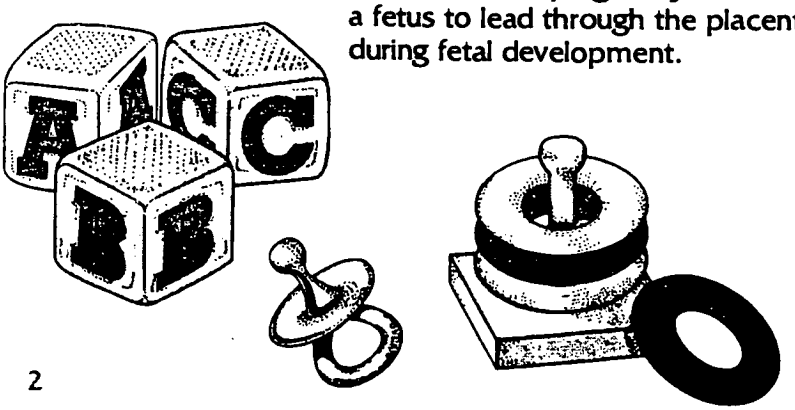
- Breathe in lead dust (especially during renovations that disturb painted surfaces).
- Put their hands or other objects covered with lead dust in their mouths.
- Eat paint chips or soil that contains lead.

Lead is even more dangerous to children under the age of 6:

- At this age children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.

Lead is also dangerous to women of childbearing age:

- Women with a high lead level in their system prior to pregnancy would expose a fetus to lead through the placenta during fetal development.



Lead's Effects

It is important to know that even exposure to low levels of lead can severely harm children.

In children, lead can cause:

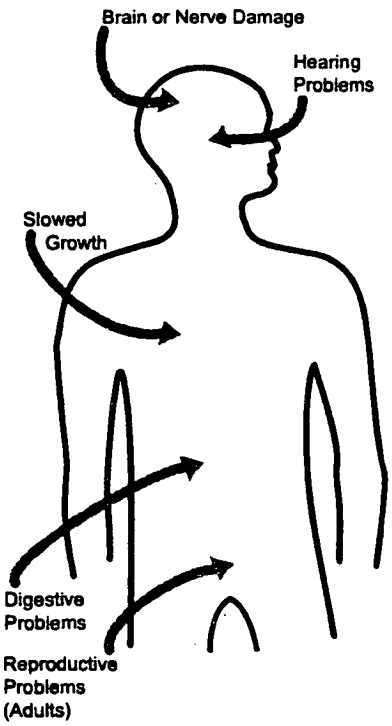
- Nervous system and kidney damage.
- Learning disabilities, attention deficit disorder, and decreased intelligence.
- Speech, language, and behavior problems.
- Poor muscle coordination.
- Decreased muscle and bone growth.
- Hearing damage.

While low-lead exposure is most common, exposure to high levels of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults too.

In adults, lead can cause:

- Increased chance of illness during pregnancy.
- Harm to a fetus, including brain damage or death.
- Fertility problems (in men and women).
- High blood pressure.
- Digestive problems.
- Nerve disorders.
- Memory and concentration problems.
- Muscle and joint pain.



Lead affects the body in many ways.

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- In homes in the city, country, or suburbs.
- In apartments, single-family homes, and both private and public housing.
- Inside and outside of the house.
- In soil around a home. (Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- Children at ages 1 and 2.
- Children or other family members who have been exposed to high levels of lead.
- Children who should be tested under your state or local health screening plan.

Your doctor can explain what the test results mean and if more testing will be needed.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- Windows and window sills.
- Doors and door frames.
- Stairs, railings, banisters, and porches.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- 40 micrograms per square foot ($\mu g/ft^2$) and higher for floors, including carpeted floors.
- 250 $\mu g/ft^2$ and higher for interior window sills.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. The following two federal standards have been set for lead hazards in residential soil:

- 400 parts per million (ppm) and higher in play areas of bare soil.
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard.

The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home tested for lead in several different ways:

- A paint **inspection** tells you whether your home has lead-based paint and where it is located. It won't tell you whether or not your home currently has lead hazards.
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards.
- A combination risk assessment and inspection tells you if your home has any lead hazards and if your home has any lead-based paint, and where the lead-based paint is located.

Hire a trained and certified testing professional who will use a range of reliable methods when testing your home.

- Visual inspection of paint condition and location.
- A portable x-ray fluorescence (XRF) machine.
- Lab tests of paint, dust, and soil samples.

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency (see bottom of page 11) for more information, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these kits before doing renovations or to assure safety.

What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- **If you rent, notify your landlord of peeling or chipping paint.**
- **Clean up paint chips immediately.**
- **Clean floors, window frames, window sills, and other surfaces weekly.** Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.

- **Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.**
- **Wash children's hands often, especially before they eat and before nap time and bed time.**
- **Keep play areas clean.** Wash bottles, pacifiers, toys, and stuffed animals regularly.
- **Keep children from chewing window sills or other painted surfaces.**
- **Clean or remove shoes before entering your home to avoid tracking in lead from soil.**
- **Make sure children eat nutritious, low-fat meals high in iron and calcium,** such as spinach and dairy products. Children with good diets absorb less lead.

Reducing Lead Hazards In The Home

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.

In addition to day-to-day cleaning and good nutrition:

- You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will need ongoing attention.
- To **permanently** remove lead hazards, you should hire a certified lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent removal.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:

- 40 micrograms per square foot ($\mu g/ft^2$) for floors, including carpeted floors;
- 250 $\mu g/ft^2$ for interior windows sills; and
- 400 $\mu g/ft^2$ for window troughs.

Call your state or local agency (see bottom of page 11) for help in locating certified professionals in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

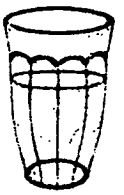
Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):

- **Have the area tested for lead-based paint.**
- **Do not use a belt-sander, propane torch, high temperature heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

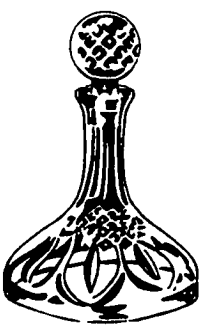
If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.

If not conducted properly, certain types of renovations can release lead from paint and dust into the air.

Other Sources of Lead



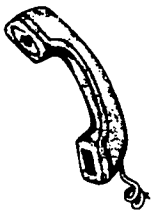
While paint, dust, and soil are the most common sources of lead, other lead sources also exist.



- **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- Old painted **toys** and **furniture.**
- Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain.**
- **Lead smelters** or other industries that release lead into the air.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.
- **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.

For More Information

The National Lead Information Center

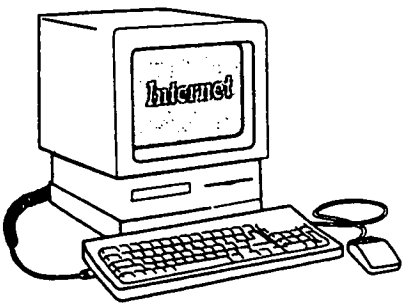


Call **1-800-424-LEAD (424-5323)** to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit **www.epa.gov/lead** and **www.hud.gov/offices/lead/.**

EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline



To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772**, or visit CPSC's Web site at: **www.cpsc.gov.**

Health and Environmental Agencies

Some cities, states, and tribes have their own rules for lead-based paint activities. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD.**

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** to access any of the phone numbers in this brochure.

EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT)
One Congress Street
Boston, MA 02114-2023
1 (888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, Washington DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RALI)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4164

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center
Consumer Product Safety Commission
201 Varick Street, Room 903
New York, NY 10014
(212) 620-4120

Western Regional Center
Consumer Product Safety Commission
1301 Clay Street, Suite 610-N
Oakland, CA 94612
(510) 637-4050

Central Regional Center
Consumer Product Safety Commission
230 South Dearborn Street, Room 2944
Chicago, IL 60604
(312) 353-8260

HUD Lead Office

Please contact HUD's Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development
Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, P-3206
Washington, DC 20410
(202) 755-1785

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U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

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Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- Get your young children tested for lead, even if they seem healthy.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods.
- Get your home checked for lead hazards.
- Regularly clean floors, window sills, and other surfaces.
- Wipe soil off shoes before entering house.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- Don't use a belt-sander, propane torch, high temperature heat gun, scraper, or sandpaper on painted surfaces that may contain lead.
- Don't try to remove lead-based paint yourself.

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